DOMINION OF CANADA

OFFICIAL REPORT
OF
DEBATES
HOUSE OF COMMONS

SECOND SESSION—TWENTY-FIRST PARLIAMENT

14 GEORGE VI, 1950

VOLUME IV, 1950

COMPRISING THE PERIOD FROM THE SEVENTH DAY OF JUNE, 1950,
TO THE THIRTIETH DAY OF JUNE, 1950, INCLUSIVE

BEING

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

HOUSE OF COMMONS

Wednesday, June 7, 1950

The house met at eleven o'clock.

AGRICULTURE AND COLONIZATION

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. A. J. Bater (The Battlefords) presented the third report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CONTROL OF PROPERTY OF OLD AGE PENSIONERS

Mr. Hodgson:

How much money was acquired by the government in taking over property of old age pensioners in each of the years 1947, 1948 and 1949, by provinces?

Mr. Martin: The question implies that provincial pension authorities which administer the Old Age Pensions Act take possession of property owned by pensioners when pension is granted. Actually no pension authority takes possession of either real or personal property. Under provincial legislation, however, a pension authority may be authorized to control real property owned by pensioners.

At the death of a pensioner a pension authority may file a claim for recovery out of the estate of the pensioner of the amount of pension paid to the pensioner. In making its decision the pension authority must apply section 9(2) of the Old Age Pensions Act, which provides that ". . . no claim shall be made for the recovery of any such debt directly or indirectly out of any part of the pensioner's estate which passes by will or on an intestacy to any other pensioner or to any person who has, since the grant of such pension or for the last three years during which such pension has continued to be paid, regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable." In the agreements made under the Old Age Pensions Act the pension authorities are given discretion to disregard estates where the net value is less than $2,000 or the first $2,000 of any estate.

The amounts recovered by provincial pension authorities from the estates of deceased pensioners and the federal share of such amounts for the fiscal years 1946-47, 1947-48 and 1948-49 were as follows:

1946-47

Province	Total	Federal share
Alberta	$ 32,330.76	$ 24,248.07
British Columbia	76,685.91	56,674.61
Manitoba	101,507.82	75,634.97
New Brunswick	1,117.40	838.05
Nova Scotia	4,384.95	3,288.71
Ontario	179,880.74	134,271.80
P. E. Island	2,855.27	2,141.45
Quebec	56,066.60	42,049.95
Saskatchewan	38,897.67	29,022.47

1947-48

Province	Total	Federal share
Alberta	$ 20,493.15	$ 15,369.86
British Columbia	93,009.60	68,828.28
Manitoba	55,496.42	40,795.94
New Brunswick	....	....
Nova Scotia	10,856.67	8,142.50
Ontario	153,465.75	114,907.46
P. E. Island	1,726.09	1,294.57
Quebec	61,268.43	45,951.32
Saskatchewan	40,298.20	30,209.38

1948-49

Province	Total	Federal share
Alberta	$ 31,950.45	$ 23,962.84
British Columbia	77,657.91	57,418.69
Manitoba	61,416.03	45,847.11
New Brunswick	165.57	124.18
Nova Scotia	4,389.61	3,292.21
Ontario	164,609.01	123,235.98
P. E. Island	1,163.28	872.46
Quebec	41,186.40	30,889.80
Saskatchewan	45,634.30	34,189.05

CANADIAN NATIONAL RAILWAYS—DISCONTINUANCE OF BRANCH LINES

Mr. Catherwood:

1. Did the Canadian National Railways cease operations on any of their branch lines during the year 1949?

2. If so, in what provinces did they discontinue these operations?

3. How many miles of line were removed from the system in each province?

Questions

Mr. Chevrier: The Canadian National Railways advise as follows:

1. No.

2. See answer to No. 1.

3. 9·49 miles in the province of Alberta, operation of which ceased in 1948.

SYDNEY PILOTAGE DISTRICT—SUPERINTENDENT OF PILOTS

Mr. MacLean (Cape Breton North and Victoria):

Has a master's foreign-going certificate of competency always been demanded for the position of superintendent of pilots in the Sydney pilotage district?

Mr. Chevrier: No. However, the former superintendent of pilots at Sydney, Nova Scotia, the late Captain Norman Noel, held a master's coasting certificate issued before the Canada Shipping Act, 1934, came into force. This form of certificate, which is no longer issued, enabled the holder to sail as master of a ship of Canadian registry anywhere on the coasts of North America excepting only voyages through the Bering strait, and anywhere on the coasts of South America as far south as 40 degrees south latitude. The holder of such a certificate retained the rights and privileges thereof after the Canada Shipping Act came into force, but the same privileges required thereafter the holding of a foreign-going certificate.

POST OFFICE—REVENUE AND COST OF MAIL CONTRACTS

Mr. Fulton:

1. What were the total revenues received in the fiscal years 1948-49 and 1949-50 respectively, from the sale of postage stamps?

2. What was the cost to the dominion government in the same years for all contracts for the carriage of mail by land, sea and air?

Mr. Lapointe:

1.

	1948-49
(a) Postage stamps	$56,317,569.86
(b) Postage meters	26,772,032.53
(c) Postage paid in cash..	6,543,115.20
Total	$89,632,717.59

	1949-50
(a) Postage stamps	$57,249,306.24
(b) Postage meters	29,518,534.76
(c) Postage paid in cash..	6,774,075.51
Total	$93,542,016.51

2.

Mail services	1948-49	1949-50
Land	$20,541,504.03	$21,769,719.71
Sea	2,512,115.95	2,117,488.80
Air	7,772,492.33	8,298,202.31

[Mr. Catherwood.]

BOUCHARD PLANT, STE. THERESE, QUE.

Mr. Bertrand:

1. On March 31, 1949, how many civil servants were being paid on a monthly basis at the Bouchard plant, Ste. Therese?

2. On April 1, 1949, were any of such persons placed on the list of employees paid by the hour?

3. If so, how many, and what was the reason for the change?

Mr. Blanchette:

1. 104.

2. Yes.

3. Fifty-eight employees were placed on hourly rates of pay to bring them in line with other employees engaged on similar duties under approved prevailing rates established for Ste. Therese area on the recommendation of the Department of Labour.

Mr. Bertrand:

1. Does the Bouchard plant at Ste. Therese come under military district No. 4?

2. What military establishments are under the jurisdiction of military district No. 4?

3. Is the hourly rate of pay in all these establishments the same as the rate of pay in force in the establishments on the island of Montreal?

4. If not, for what reasons?

Mr. Blanchette:

1. No. The Bouchard plant is administered direct by army headquarters, Ottawa.

2. Headquarters Quebec command; No. 4 works company, Royal Canadian Engineers; Quebec command signal squadron, Royal Canadian Signals; Headquarters Royal Canadian Army Service Corps, Quebec command; No. 4 detachment, Royal Canadian Army Medical Corps; Headquarters, Royal Canadian Ordnance Corps, Quebec command; No. 3 area ordnance depot; Headquarters Royal Canadian Electrical and Mechanical Engineers, Quebec command; No. 4 company, Royal Canadian Electrical and Mechanical Engineers; Quebec command pay office; Royal Canadian Ordnance Corps School; No. 4 personnel depot; "A" and support company, Royal 22e Regiment; No. 4 company, Royal Canadian Army Service Corps; Headquarters Royal Canadian Army Medical Corps, Quebec command; Montreal military hospital; Quebec Command Provost Company.

3. No.

4. Hourly rate employees at Bouchard plant, Ste. Therese, are paid at the prevailing rates established on the recommendation of the Department of Labour.

NORTH SYDNEY-PORT AUX BASQUES FERRY SERVICE

Mr. Higgins:

What steps have been taken to provide a motor car ferry to ply between North Sydney and Port aux Basques?

Mr. Chevrier: Representations were made some time ago by the premier of Newfoundland, urging the federal government to make provision for a motor car ferry to ply between North Sydney and Port aux Basques, and the matter is now under active consideration.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMPORTS OF ALBUMEN

Mr. Knight:

1. What quantity, in pounds weight, of albumen (dried egg whites powdered or crystal), were imported into Canada in 1949 and 1950 to date?
2. What were the quantities by months, by ports of entry, and by countries of origin?
3. Has any such albumen been imported into Canada from China during the period mentioned? If so, how much?

Mr. McIlraith: Return tabled.

U.S. AIR BASES IN CANADA—EMPLOYMENT OF CANADIAN CIVILIANS

Mr. Black (Cumberland):

1. Are Canadian civilians employed at the United States air base, Goose Bay, Labrador, and other such bases in Canada, paid in Canadian funds? If so, for what reason?
2. Were such Canadian civilians previously paid in American funds?
3. Are such Canadian civilians required to pay for meals, living quarters, admission to theatres, canteen expenses, etc., in American funds? If so, for what reason?
4. Do such Canadian civilians enjoy unemployment insurance benefits? If not, for what reason?
5. How many Canadians are at airports where the United States authorities are in charge?

MOTIONS FOR PAPERS

BONAVENTURE, QUE., BREAKWATER

Mr. Courtemanche:

For a copy of all payrolls showing the names of and amounts paid to all persons employed in connection with the construction of a breakwater in Bonaventure parish, county of Bonaventure, Quebec, along with a list of all materials used in this work.

ST. CHARLES DE CAPLAN, QUE., WHARF

Mr. Courtemanche:

For a copy of all payrolls and a statement of materials purchased in connection with the repairs to the wharf of St. Charles de Caplan, county of Bonaventure, Quebec, during 1947, 1948 and 1949.

Mr. Courtemanche:

For a copy of all payrolls and a statement of materials purchased in connection with the work done by the Department of Public Works between January 1 and May 1, 1950, on the protection or wharf facilities in the vicinity of the Henri Leblanc property, otherwise known as the Manoir St. Charles, at St. Charles de Caplan, Bonaventure county, Quebec.

PASPEBIAC, QUE., WHARF

Mr. Courtemanche:

For a copy of the specifications used in connection with the work performed on the wharf at Paspebiac, county of Bonaventure, Quebec, during the fall of 1949.

TRANS-CANADA HIGHWAY—NEW BRUNSWICK

Mr. Hatfield:

For a copy of all letters, correspondence, maps, and other documents, from January 1, 1949, to date, exchanged between the dominion government and the province of New Brunswick dealing with the trans-Canada highway.

Mr. Prudham: There is no objection to providing these papers, subject only to approval by the province of New Brunswick.

Mr. Speaker: Carried, subject to the reservation made by the parliamentary assistant.

DEFENCE SUPPLIES

PROVISION FOR PURCHASE OR ACQUISITION, STORING OF MATERIALS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill, cited as the Defence Supplies Act, to empower the Minister of Trade and Commerce to buy or otherwise acquire and deal with defence supplies; construct or otherwise acquire, projects; acquire, store and otherwise deal with material entering into the manufacture of defence supplies or the development, repair or maintenance of projects; arrange for the performance of commercial and professional services; require priority in delivery or construction and to require persons who have received offers, fair and reasonable in his opinion, for supplies, projects or services, to meet the requirements subject to an appeal to the exchequer court on the question of price; also to empower the minister to buy or otherwise acquire defence supplies and construct or carry out projects required by the Department of National Defence; also to empower the governor in council to appoint assistants to the minister and advisers and advisory boards and to fix their remuneration and expenses; with provision also for the approval by the governor in council of contracts except in emergent cases and where the sum involved does not exceed a certain specified amount.

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

Motion agreed to.

PRIME MINISTER'S RESIDENCE

PROVISION FOR OPERATION AND MAINTENANCE OF A RESIDENCE FOR THE PRIME MINISTER OF CANADA

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to provide for the operation and maintenance of a

Official Residence for Prime Minister

residence for the Prime Minister of Canada, out of moneys appropriated by parliament for such purposes.

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

The resolution and the bill to be based thereon refer to a matter which I am sure hon. members would wish to discuss in the absence of the Prime Minister (Mr. St. Laurent). If I can obtain the unanimous approval of the house I would suggest that the resolution be passed now and the bill moved on to second reading, which would permit the distribution of the bill. Then perhaps the bill could be considered at three o'clock this afternoon. I understand that the leaders of the opposition parties have seen the bill and perhaps they may be in a position to agree that second reading take place later this day. However, I am entirely in the hands of the house.

Mr. Graydon: Are you trying to surprise the Prime Minister?

Mr. Coldwell: When will the Prime Minister be back?

Mr. Howe: Tomorrow morning.

Mr. Coldwell: I am quite prepared to accede to any reasonable request made by the government with respect to this measure, but I suggest that any indication that it is being rushed through might be misunderstood. I rather think what should be done is to pass the resolution and let hon. members see the bill before it is proceeded with.

Mr. Howe: That is what I suggested—that we pass the resolution now and discuss the bill this afternoon.

Mr. Coldwell: Has the bill been printed?

Mr. Howe: Yes, and it will be distributed as soon as the resolution is passed and the bill introduced.

Mr. Coldwell: I think the house would be well advised to follow the normal procedure and give the bill second reading tomorrow.

Mr. Howe: I am in the hands of the house. If that is the wish of the house, I cannot object.

Mr. Speaker: Shall we proceed now with the resolution?

Some hon. Members: Agreed.

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

Mr. Fulton: What department will have the administration of the act? Will it be under the minister who is sponsoring the resolution, or under the Department of Public Works?

[Mr. Howe.]

Mr. Howe: Two departments will be involved. The Minister of Public Works will have to do with the upkeep of the house, and the Minister of Finance will have to do with the upkeep of the grounds through the federal district commission, and general oversight over the internal arrangements of the house. I think I could explain these matters better after the bill has been distributed.

Mr. Diefenbaker: Could the minister advise what the cost of the residence is to be, and whether or not the building in front of the house to be designated as the residence of the Prime Minister is to remain there or be removed? The question was asked whether this building was to be used as a house for the private secretary of the Prime Minister, and the reply given was that it would be leased to such persons as might be designated by the Prime Minister. Could we have information with regard to those two matters?

Mr. Cruickshank: I may get an apartment yet.

Mr. Fournier (Hull): Mr. Chairman, as to the cost of the whole project, I can only say that the work is under way. I could not give a definite figure. This is an old building which is being torn down. Only the shell will be kept, and it will be remodelled. The work is under the supervision of, and according to plans prepared by, the firm of Allward and Gouinlock, architects, of Toronto. One thing I am sure of is that the work was given to the Garvock firm at a price of $10,000. As time goes on I shall give progress reports to the house.

Mr. Diefenbaker: What is the estimated cost? There must be some general estimate?

Mr. Fournier (Hull): Those I have consulted so far dare not give an exact estimate, because in estimating the cost of remodelling an old building we are nearly always wide of the mark. I believe in the main estimates there is an amount of $80,000, but I am sure that will not be sufficient.

Mr. Diefenbaker: What is the general estimate?

Mr. Fournier (Hull): I think it will be somewhere around $100,000—that would only be a personal guess, and if I make a mistake it will come back on me. I would rather not give my opinion. I am not a contractor.

Mr. Smith (Calgary West): Allow yourself a leeway of $100,000 for error.

Mr. Fournier (Hull): If that is the attitude of my good friends, I would say between $150,000 and $200,000; that is about the closest I can come. That estimate is given in good faith, and in a kindly way.

The next question concerned the coach house, as they call it. At the moment opinion is divided on that subject. Some people believe we should keep that building, while others have been pressing me to have it demolished and keep only the lower part of it for a garage. Within the next few days a decision will be made about that building.

Mr. Smith (Calgary West): You might keep it for use as a parliamentary doghouse.

Mr. Fournier (Hull): I would not know what the present or future prime ministers would think of that. Within the next ten days we expect to have a decision on it.

Mr. Howe: I believe I can anticipate the next question. I can assure my friend that it will not be used as a house for the secretary.

Mr. Diefenbaker: That is somewhat different from the general picture a few weeks ago. What does the minister mean by divided opinion as to the use of the coach house.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is a proper question. The government assumes the responsibility for this matter. What does the minister mean by that?

Mr. Fournier (Hull): If the hon. member reads the local newspapers he will see that one newspaper advocates demolishing the building, while the other newspaper puts up an argument in favour of keeping it. There are outstanding citizens who are interested in this development of the national capital. I have met people who had one opinion, and others who had a different opinion on the subject. I cannot give names here. I believe the government, in its good judgment—

Some hon. Members: Oh, oh.

Mr. Fournier (Hull): —will make a proper decision. I shall let my friend know what it is.

Mr. Macdonnell (Greenwood): Apparently it is the good judgment of the newspapers.

Mr. Fraser: Can the minister say what the approximate cost of operation and maintenance will be per year, or has that been estimated?

Mr. Fournier (Hull): I would not want to anticipate the debate on the bill. Public works will have control of the maintenance and repair of the buildings; the other part, the maintenance of the grounds, will be under the federal district commission. As to the monetary part, I think that is under the Minister of Finance.

Mr. Ross (Souris): What was the original cost of this building?

Mr. Fournier (Hull): I am informed that the judgment of the exchequer court three or four years ago set the cost at $140,000.

Mr. Diefenbaker: Is this estimate given by the minister, with the $100,000 leeway given by the member for Calgary West, in addition to the original cost?

Mr. Fournier (Hull): Why, certainly.

Mr. Fleming: Will the bill cover the cost of furnishings and the maintenance of the grounds?

Mr. Fournier (Hull): We are a little embarrassed as to the furnishings. We have to put up the house first in order to see what furnishings we shall have in it. I have no estimate on the furnishings. The architect is still working on that phase of the project.

Mr. Mitchell: I just want to say this to my friend—

Mr. Fleming: I asked the minister, Mr. Chairman,—

The Chairman: Order. The member for Eglinton has the floor.

Mr. Fleming: I asked whether the bill that is to be introduced will cover the cost of furnishings and the maintenance of the grounds. I believe it was made apparent in the previous discussion that it is proposed to provide the minister with a furnished house, not merely the building and grounds. Will the bill cover that, as well as the maintenance of the grounds?

Mr. Howe: Both will all be covered by the bill. I believe it would be more convenient to discuss these matters when the bill is before the house and the government's proposals are known. It would be improper at the moment, as my hon. friend knows, to give the details of the bill. If the resolution is passed the bill will be distributed immediately, and a full discussion of the details can take place on second reading of the bill.

Mr. Green: Did the figure given by the Minister of Public Works include the cost of furnishings?

Mr. Mitchell: Mr. Chairman, just give us a chance.

Mr. Green: Let the minister answer the question.

Mr. Mitchell: I am not going to speak for very long. I am not speaking as a minister of the crown, but as a Canadian. What we are discussing now is a residence for the Prime Minister of Canada. Let us be dignified about it. That is all I want to say.

Official Residence for Prime Minister

Mr. Green: I do not know who is being undignified about this matter, unless it is the undignified rush of the government to get it through without any questions. Will the Minister of Public Works answer my question, whether the figures he has given include the cost of furnishings?

Mr. Fournier (Hull): Mr. Chairman, I do not know. I have given a figure as to what I believe this building will cost. Not being an expert on these matters, and not even having estimates from my own officials, I cannot say. The plans are made with the architects on the ground. Demolition of the building has started, and really only a shell will remain. I do not think any contracting firm would give a firm price on such a project. I may be wide of the mark in what I said, and I am a little sorry I did put a figure on *Hansard,* even though I did have $100,000 leeway. Later my estimates will come up and I shall have my officials here. I hope they are not as ignorant as I am about the figures.

Mr. Green: The minister has mentioned the architects. Surely the architects are not providing the furnishings as well. He has just said he based his figures on what the architects were going to do, but my question was whether or not the cost of the furnishings is over and above the figure given by the minister.

Mr. Fournier (Hull): I would not know at this stage.

Mr. Macdonnell (Greenwood): I do not think that we deserve the criticism of the Minister of Labour, given not in his usual kindly way. I should like to say this. We all want a dignified residence for the Prime Minister. There is no question about that. But there is nothing dignified in seeing large sums of money thrown about carelessly. At the present time, when we can get no accurate figures, when the whole thing seems just to be a hit or miss business, I think people will be disturbed by it—that is, the people who do not have residences provided for them.

Resolution reported, read the second time and concurred in.

Mr. Howe thereupon moved for leave to introduce Bill No. 266, to provide for the operation and maintenance of a residence for the Prime Minister of Canada.

Motion agreed to and bill read the first time.

[Mr. Mitchell.]

NATIONAL RESEARCH COUNCIL

REPAIRS TO BUILDING—QUESTION AS TO LOWERING OF LEVEL OF RIDEAU RIVER

On the orders of the day:

Mr. J. T. Richard (Ottawa East): I should like to ask a question of the Minister of Public Works in connection with the work to be done on the research council building on the Rideau river. Is it the intention to lower the level of the Rideau river? If so, when is it the intention to begin this work? Can it possibly be delayed in order to allow the beaches to operate this summer?

Hon. Alphonse Fournier (Minister of Public Works): I do not think we would take water out of the Rideau river during the summer to do repair work on the national research council building. I will give instructions that these works be delayed until the summer season is over.

MARSHLANDS

INQUIRY AS TO RECLAMATION IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. J. W. MacNaught (Prince): I should like to ask a question of the Minister of Agriculture. Have any plans been made to reclaim marshlands in Prince Edward Island?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member just presented me with notice of his question as I was coming into the house. My answer is that we are soon to undertake a diking project on the Johnston river marshlands in Queens county. It will take about three months to complete this work, and it will protect about 250 acres.

INSECT PESTS

QUESTION AS TO INFESTATION OF ARMY WORMS IN MUSKOKA AND KAWARTHA DISTRICTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to direct a question to the Minister of Agriculture. Has he had any complaints about the army worms that are attacking the trees in the Muskoka and Kawartha districts of Ontario? They are destroying the trees all through those districts, over hundreds of acres. Is his department doing anything about it?

Right Hon. J. G. Gardiner (Minister of Agriculture): Complaints have not been brought to my attention. I would not say that means that those in the department do not know about the matter. But that kind of effort is directed by the province rather than by the federal government.

OFFICIAL SECRETS ACT

INQUIRY AS TO AMENDMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): In the absence of the Prime Minister (Mr. St. Laurent) and the Minister of Justice (Mr. Garson) I should like to ask the Acting Prime Minister if the government has yet reached a decision with reference to the suggested introduction of an amendment at this session to the Official Secrets Act.

Right Hon. C. D. Howe (Acting Prime Minister): I am unable to answer that question. I will make inquiries and answer it tomorrow.

INQUIRIES FOR RETURNS

PUBLIC SERVICE—TRAVELLING AND LIVING EXPENSES

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I again want to bring to the attention of the Secretary of State the fact that the return which was ordered over six weeks ago with regard to travelling expenses has not been brought down. Yesterday or the day before he said there were a couple of departments that were still held back. Surely that should be available; and I would ask the minister—

Mr. Speaker: Order.

Mr. Diefenbaker: I am raising a question of privilege, sir. These returns are too long overdue. Will the Secretary of State bring down the returns for all but the two departments that are holding back these returns? Will he bring the others down?

Hon. F. G. Bradley (Secretary of State): I do not think that on any occasion I said that these returns were being held back.

Mr. Diefenbaker: No?

Mr. Bradley: I said that they were not ready.

Mr. Diefenbaker: All right.

Mr. Bradley: I will make inquiries and do what I can to facilitate the matter.

OFFENCES UNDER FEDERAL STATUTES—PROSECUTIONS AND CONVICTIONS IN NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): On May 22 a question asked by me was passed as an order for return. It was a simple question. I wonder if the answer has been prepared. The question was this: Have there been any convictions in Newfoundland since April 1, 1949, for offences under federal statutes? I understood that instructions had been given by the attorney general's department in Newfoundland that no prosecutions were to be taken; and I understand that prosecutions have been taken under federal statutes, although the Criminal Code was not in effect.

Hon. F. G. Bradley (Secretary of State): I will look into the matter.

OLD AGE PENSIONS

STATUS OF PERSONS COMPENSATED FOR FLOOD DAMAGE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Can the Minister of National Health and Welfare now give me an answer to the question I asked him yesterday?

Hon. Paul Martin (Minister of National Health and Welfare): The hon. member yesterday asked me whether or not payments made to old age pensioners by way of compensation for destruction of home as a result of the Manitoba flood would be treated as income under the Old Age Pensions Act. As he knows, of course, the decision with regard to the calculation of income, as well as with regard to the amount of the pension in any individual case, is a matter which under the act rests with the provinces. The compensation paid to an old age pensioner for loss of home by fire is not treated as income. So far as the federal government is concerned, we would treat compensation to an old age pensioner for reconstruction of his home as a result of flood damage as an analogous situation.

FLOOD CONDITIONS

SOUTHERN MANITOBA—MONTHLY PAYMENTS ACCRUING ON EVACUATED HOUSES

On the orders of the day:

Mr. William Bryce (Selkirk): I should like to direct a question to the Minister of Resources and Development, or, in his absence, to the parliamentary assistant. Has the Central Mortgage and Housing Corporation made any representations to insurance companies asking them to permit evacuees to forgo monthly payments while their families are evacuated?

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): In the absence of the minister, Mr. Speaker, I will take the question as notice and bring down the information tomorrow.

Inquiries of the Ministry

SOUTHERN MANITOBA—SOFTBALL GAME ON PARLIAMENT HILL IN AID OF RELIEF FUND

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a question of privilege, on behalf of the flood relief fund of Manitoba I should like to express appreciation to those who called off a parliamentary dinner tomorrow night, thus giving hon. members an opportunity to come to the softball game on Thursday and bring their pocketbooks.

EXTERNAL AFFAIRS

ECONOMIC ASSISTANCE TO SOUTH AND SOUTHEAST ASIA—SYDNEY CONFERENCE

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to ask the Secretary of State for External Affairs when he expects the Minister of Fisheries (Mr. Mayhew)—I would have directed the question to him, but he is not here this morning—to be able to give the house a report on the Sydney meeting?

Hon. L. B. Pearson (Secretary of State for External Affairs): I am not quite sure. I will consult with my colleague, the Minister of Fisheries, and see if we can get his report to the house at an early day.

BUSINESS OF THE HOUSE

PRAIRIE FARM ASSISTANCE ACT AMENDMENT—SITTINGS OF AGRICULTURE COMMITTEE

On the orders of the day:

Mr. J. A. Ross (Souris): I should like to ask the Minister of Agriculture if he will see that the third reading of the amendments to the Prairie Farm Assistance Act is called at a time when the committee on agriculture is not sitting, because that matter is interlocked with the Canadian wheat board report. The other day these amendments were being dealt with in the committee on agriculture in another room while we were debating amendments to the Canadian Wheat Board Act here in the house. Many members are interested in both matters.

Right Hon. J. G. Gardiner (Minister of Agriculture): The chairman of the agriculture committee spoke to me a moment ago, and I think his intention is that if this legislation comes up in the house he will adjourn the meeting of the committee while it is being discussed.

ELECTRICAL AND PHOTOMETRIC UNITS

DEFINITIONS IN ACCORDANCE WITH RECOMMENDATIONS OF INTERNATIONAL COMMITTEE ON WEIGHTS AND MEASUREMENTS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the third reading of Bill No. 265, respecting the units of electrical and photometric measure.

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

INCOME TAX ACT

CONCURRENCE IN SENATE AMENDMENTS

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 177, to amend the Income Tax Act.

Mr. Macdonnell (Greenwood): Will the minister make a statement on these amendments?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): These amendments, which the Senate made, were made at the request of the Minister of Finance (Mr. Abbott) because of instances which had been drawn to his attention between the time of the passage of the income tax bill in the house and its introduction in the Senate.

I can describe them generally as being in two groups. First of all, there are the Senate amendments relating to charitable foundations. There was a provision in the bill, as passed by the house, namely, section 21, which required that ninety per cent of the income of a charitable foundation had to be paid out as donations to charitable organizations. It was found that some of these charitable foundations themselves carried on charitable activities. The Senate amendment provides that the ninety per cent requirement may be fulfilled either by direct expenditure by the foundation itself on its own charitable activities or by gifts to other charitable organizations, or by both. The purpose of the original amendment passed in the house is unchanged; that is, the requirement that a charitable foundation cannot unduly accumulate its income but must pay out at least ninety per cent of its income on charity each year.

I will give an example of one of the foundations which was affected. The Canadian Cancer Society is a charitable foundation within the meaning of our act. This society, however, spends considerable of its income itself on educational propaganda with regard to cancer, and also makes a direct contribution to the Canadian Cancer Institute, a charitable organization which finances research. There is an example of a foundation which engages in charitable work itself, and also makes gifts to other charitable organizations.

The main purpose of the amendment with regard to charitable foundations is to permit a charitable foundation to make not only gifts to charitable organizations—that is, the organizations described in subsection (ea) of this

section—but also actually to engage in charitable work itself. The provision that ninety per cent of its income must be spent on charity each year still applies.

Mr. Macdonnell (Greenwood): Will the parliamentary assistant permit a question?

Mr. Sinclair: Yes.

Mr. Macdonnell (Greenwood): The illustration which he gives is clear, and I see no difficulty arising under it, because it is obviously an organization having wholly to do with charitable purposes. Is it considered that the definition of charity will be so clear that where you have an organization which itself is, let us say, not exclusively charitable, the gifts which it may make, and which will qualify it under the ninety per cent, will be to organizations so well defined that no question can arise as to their charitable nature?

Mr. Sinclair: I can assure the hon. member that it is the intention to spell out so clearly what is to be regarded as charity so far as the direct application of the funds is concerned that there will be no difficulty or possibility of evasion.

Mr. Macdonnell (Greenwood): When it is spelled out, where will it be spelled out?

Mr. Sinclair: By action of the Department of National Revenue, so far as the acceptance of the expenditure as being a charitable expenditure is concerned.

Then we come to the section with regard to trusts. Our original section covered charitable foundations which are corporations. There are, however, some trusts that are charitable foundations, broadly speaking, but they are not incorporated. It was drawn to the attention of the minister that these charitable trusts should also be covered. For that reason we have this amendment expanding this legislation on charitable foundations to include a charitable trust, with exactly the same provision, however, that at least ninety per cent of the income of the trust in any year must be spent on charity.

Then the other Senate amendment is with regard to the section on controlled companies; that is clause 11 of the House of Commons bill. This section provided for the disallowance of tax-free dividends from a corporation paid to a controlling corporation where control was acquired after May 10. There was no suggestion of this being retroactive. It was to apply only to corporations which became controlled by other corporations after May 10. It was found, however, that there were two ordinary business transactions of this nature well under way at the time of introduction of the bill in the house, where a corporation had acquired the right to purchase control of another corporation, where the latter's shares were on deposit with a trust company, but the actual deal had not been entirely completed. There was no desire to have any suggestion in the bill of retroactive legislation, but these cases were not known until after publication of the bill. Therefore instead of keeping the deadline on May 10, which was the date of introduction of the bill in the house, the Senate amendment reads:

> Notwithstanding subsection (2) subsection (1) is not applicable in a case where control of the payer corporation has been, pursuant to a right which existed on or before May 10, 1950, acquired before June 30, 1950.

As a consequence of the amendment, bona fide transactions which were almost completed before May 10 can go ahead to completion, provided it is done before June 30, 1950.

Mr. Smith (Calgary West): May I ask one question on that? I agree with the intention that is sought to be carried out. But suppose we have a charitable foundation trust corporation, or something of the kind that is used, as we know, as a method of avoiding taxation which normally would be paid by individuals in charge of that organization. I think we all agree with catching up with that. Income tax should be payable. But when you let that organization make these gifts to other persons it strikes me that great care will have to be taken to see that we are not just carrying on the old chain reaction that we had before. It should be made certain that instead of catching A you catch B where B is in fact the alter ego of A. I think the assistant to the minister appreciates the care that must be exercised. We do not want to interfere with real charity. What we want to do is to catch those who are parading under the name of charity and who are in a money-making business.

Mr. Sinclair: I agree with the hon. member. I think there is wide approval in the country of this legislation, which will permit a genuine charitable foundation to carry on its work, but at the same time will stop the type of income tax evasion which fortunately up to now has not been prevalent in this country but which has developed to an alarming extent in some of our neighbouring countries.

We have taken two steps. First of all, it is provided that at least ninety per cent of the income must be spent each year on genuine charity, before the foundation can qualify as a charitable foundation under section 21 of the present bill. Second, we have prohibited the passage of funds from a charitable foundation to a charitable trust or trustee for other

charitable foundations. A charitable foundation today can make its gifts only to the charitable organizations described in clause (ea) of section 21, which are full-time charitable organizations not in the form of foundations—and this would include the Red Cross, the Salvation Army, cancer and other medical institutes, and other organizations of the kind. Or, within the amendment today, if the foundation itself has a charity which is approved by the Department of National Revenue as coming within that section, they may spend money on their own charity. But they will not be allowed to pass money back and forth between so-called charitable foundations and trusts, and thus attempt to evade the spirit of the section.

Mr. Smith (Calgary West): What I am going to suggest may not follow—and it may be that I have not read the amendments carefully enough—but let us assume that we have an organization already in existence. The parliamentary assistant to the minister says that these things may come from another country. One organization I have in mind was advised by a firm of lawyers carrying on business in New York. Suppose this organization, in using up its ninety per cent, said: "We are making a gift to enlighten the people about Seretse Khama, of Africa"; what would be the position there? I am referring of course to the African who married the white woman. Where is the judgment to be used in determining the bona fides of these gifts? Has the legislation gone so far as to name individual charities to which such gifts may properly be made?

Charity begins at home. Let us suppose someone makes a gift to a so-called charity in some other country, where we have no means of examining into its bona fides. It seems to me the statute might be evaded in circumstances of that kind, unless there is some specific provision against it.

Mr. Sinclair: That is true. We already have such protection due to the fact that we now give up to a ten per cent tax exemption to an individual and up to a five per cent exemption to a corporation for approved charitable contributions. These charities are approved as genuine charitable organizations within the meaning of clause (ea) of the present section 21 by the taxation officials of the Department of National Revenue. There must be also a receipt from such charities as are within the meaning of the act, and the taxpayers are thus entitled to the prescribed exemptions. It will be recalled, for example, that four or five days ago the Acting Minister of National Revenue said that Manitoba flood donations would be regarded by his department as charitable donations within the meaning of the act, and so can be claimed as exemptions up to the limits prescribed. All we are doing is to apply the same principle to moneys which foundations might wish to use in respect of their own specific charities. It will be determined in the same way by the Department of National Revenue, which already has experience in classifying our present charitable organizations, and naturally is anxious to secure as much in the way of taxation as possible, which it cannot do if it gives indiscriminate approval to doubtful charities. They have to be bona fide charities before the department will accept income deductions claimed because of such donations.

Motion agreed to, amendments read the second time and concurred in.

PRAIRIE FARM ASSISTANCE ACT

AMENDMENT TO EXCLUDE CERTAIN AREAS, ETC.

Right Hon. J. G. Gardiner (Minister of Agriculture) moved that the house go into committee to consider Bill No. 209, to amend the Prairie Farm Assistance Act, 1939.

Mr. Ross (Souris): Will the minister make a statement?

Mr. Speaker: I understand the bill is being reported from a committee.

Mr. Fournier (Hull): Yes.

Mr. Speaker: The motion is not debatable.

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

On section 1—*No award.*

Mr. Ross (Souris): Mr. Chairman, I was unavoidably absent when the amendment was discussed before, because at that time I was attending committee meetings. Therefore I should like at this time to make a few remarks.

As I followed the discussion before the bill was sent to committee, I understood the general agreement to be that the act should no longer apply to submarginal lands. I believe that was the general agreement. It was pointed out by some that P.F.A.A. funds were really working against the splendid work being done under the Prairie Farm Rehabilitation Act, and it was agreed that that should not continue.

I should like at this time to put on record a return I received on March 16, although it was recorded in committee. It is as follows:

Question:

1. Under the Prairie Farm Assistance Act, 1939, to date, what amount of money has been deducted from sale of grain at one per cent, and paid into fund by the producers within the provinces of (a) Manitoba; (b) Saskatchewan; (c) Alberta?

2. What amount of money has been or will be paid out, 1939 to the end of the 1949 crop year, to producers by provinces under the act?

3. How many townships or part townships in each province have qualified for payments under the act during 1949?

4. How many of the same townships, by provinces, have qualified under the act since and including 1939 (a) 2 years; (b) 3 years; (c) 4 years; (d) 5 years; (e) 6 years; (f) 7 years; (g) 8 years; (h) 9 years; (i) 10 years?

Answer of Department of Trade and Commerce:

1. (a) Manitoba	$ 7,282,403.06
(b) Saskatchewan	24,607,978.74
(c) Alberta	13,109,306.60
Unallocated as at December 31, 1949	9,198.91

Answer of Department of Agriculture:

1. Answered by the Department of Trade and Commerce.

2. Manitoba	$ 2,547,590.77
Saskatchewan	94,884,155.58
Alberta	26,444,884.05
	$123,876,630.40

3. Manitoba, 82; Saskatchewan, 1,731; Alberta, 1,126.

4. Manitoba (a) 23; (b) 9; (c) 8; (d) 5; (e) nil; (f) nil; (g) 1; (h) nil; (i) nil.

Saskatchewan (a) 42; (b) 114; (c) 136; (d) 193; (e) 294; (f) 329; (g) 294; (h) 162; (i) 44.

Alberta (a) 152; (b) 109; (c) 64; (d) 58; (e) 71; (f) 71; (g) 121; (h) 177; (i) 41.

I believe that is useful information which has a bearing on the matter before the committee.

At the last session of parliament many resolutions were sent to me as a result of the aphid infestation. Owing to extremely wet weather, seeding in some areas was delayed until late in the year, and the aphid infestation affected some of those crops. In many instances the crops were completely destroyed. However, a number of townships had a fair average yield, with the result that certain people located within these townships at different points in southwestern Manitoba could not qualify for assistance under the act.

As a result of this grievance I received resolutions from several municipal councils in my riding, in which they asked that, where they were trying to diversify their farming methods and to get into the production of livestock, the acreage or yield of oats or barley should be used to a greater extent as a basis for qualification, replacing wheat acreage. I understand that under the regulations that can now be done—and probably it could have been done then. Anyway that provision now appears in the regulations, and I suggest this point should be made clear and publicized. In an area where oats or barley are grown to a greater degree than wheat, it should be permissible to use oats or barley as the basis for qualification. Last fall I had many resolutions from municipal councils asking for that. I want to make that point clear.

I am sorry that the administration did not see their way clear to bring it down nearer to an individual basis, because there are many cases of hardship. I am bound to agree that I can see difficulties in administration if it were brought down to an individual basis; nevertheless a lot of hardship has been caused throughout the years because that cannot be done. Many people scattered right across my constituency had practically a total crop failure last year and cannot qualify under the act for any assistance. I am sure the minister will agree that because of diversification in those areas, the raising of more stock, when they desire in a particular year to produce more oats or barley than wheat they should be allowed to qualify on that basis in the event of a crop failure.

Mr. Gardiner: In view of the discussion that I understand is to follow, there are only one or two words I should like to say now with regard to the remarks of the hon. member for Souris about submarginal lands.

There has been considerable discussion in the press of the west, and I presume it arises as the result of a loose use of terms in the debate in the house. Reference has been made to abandoned lands, as though the legislation were intended to make it impossible for abandoned lands to be brought back under cultivation. This legislation has nothing to do with abandoned lands. They do not come under it at all, and never have. From some of the discussions that have been taking place I am afraid that some abandoned lands have crept under it. It is partly for the purpose of rechecking that and making sure that abandoned lands are not under the act that we are anxious to have the amendment. They never were and never were intended to be under the act. Abandoned lands were not supposed to come under the act at all, even if they were later cultivated; therefore the amending bill has nothing to do with abandoned lands. They are barred by the act as it was originally drafted, and by the regulations.

Then there is the suggestion that we are trying to bar all submarginal lands. Some people would say that if you barred all submarginal land you would bar all lands that are under the act if you gave a proper definition to submarginal lands. The bill does not bar submarginal lands as such, and has no effect upon them. At present the act provides that people on land that does not yield a reasonable crop are paid assistance during the time they remain on the land. We are

making efforts all the time to enable them to move from that land to some other location. Once we take people off that land and put them on other land, the land from which they are removed never comes back under the act, no matter who has it. It is not intended to.

We are not dealing with such lands at all under the bill. The only thing the bill is intended to deal with is lands that were not under cultivation at all when the Prairie Farm Assistance Act was put on the statute book. By the terms of the amendment made by the standing committee on agriculture and colonization we put the date not at the time when the act came into effect, but at the 31st of December, 1940, at the end of the first year of its operations. That gave people in that section of the country an opportunity to observe the operation of the legislation before doing whatever they did do. What we say in the bill is that any lands that were not under private ownership at 31st December, 1940, are not to come under the act when they have been taken over from the government by some private person or organization. Lands that were still held by governments on the 31st day of December, 1940, do not come under the act as amended.

The intention is that any lands still owned by the government after some forty or fifty years of homesteading, and almost as many years when the lands were open for purchase and nobody thought they were sufficiently good either to be homesteaded or purchased during that period of time, are not good enough to be brought under this legislation after it is passed. That is the only principle underlying the bill.

I still say that we should not assume in our discussions that when we finish dealing with the bill, all submarginal land is going to be excluded from the provisions of the legislation. I would say at least fifty per cent of the land still under the act is submarginal, and that provincial governments, individuals and the federal government are doing the best they can to get as large a percentage of that land as possible out of the present form of cultivation altogether and put to some other use. The particular uses we are trying to bring about are to get such land under irrigation or under pasture. Those are the two things we are trying to do with it. Even at the present time these lands are rated as submarginal by people who know land. They go out and look at them and say: "I do not want that land; it is submarginal." The act now provides that if a government body says the lands are submarginal, they do not come under the act, no matter who is on them.

I want to make it perfectly plain that the bill does not deal with submarginal lands as such. It deals with lands which up to a certain date everybody considered were not good enough either to homestead or to buy. It is true that having set the date at December 31, 1940, there will be a few pieces of land in Saskatchewan particularly that were homesteaded after that date, and there will be a few parcels that were purchased after that date but they are largely in areas where the act would not apply in any case.

Mr. Coldwell: Of course there are lands held by the provincial government which have not been cultivated because they were not thrown open for homesteading or for sale, and yet they are good lands. I am thinking particularly of an area in my own constituency, on the Matador ranch, where there is some very heavy land which was not cultivated until quite recently. The point I am raising concerns land that is bought and broken; then the following spring the weather is dry, and although the land is prepared for seeding the people do not seed it because they believe the weather is too dry. Does land of that kind come under the legislation? It is cultivated land. It is not summer fallow. It was broken and prepared for seeding but not seeded on account of the unusually dry weather.

Mr. Gardiner: Any properly cultivated land is defined under the terms of the act as summer fallow if it was not seeded.

Mr. Coldwell: That might be the difficulty under the act. You say summer fallow?

Mr. Gardiner: Yes. If it meets the other conditions of the act, that would not prevent it from coming in.

Mr. Argue: I know the minister was correct when he said a few moments ago that the purpose of the amendment is not to remove submarginal land from the benefits of the act. Instead of what the minister is doing, and even with the changes that he proposes to make in the original bill, I believe he should give consideration to taking away the benefits of the act from submarginal land, and then doing something else to provide a livelihood for the people affected. When the legislation was first introduced it discriminated against all lands, with few exceptions, leased by the crown. Since that time the minister has proposed further amendments which will increase the exemptions of provincial crown land and therefore allow a greater amount of provincial crown land to remain under the act. But he has discriminated against all land sold by the crown, whether by a province or by a municipality, since December 31, 1940.

I might make the same point now that I made in the agriculture committee, that it is not fair to make this legislation retroactive

and remove from its benefits those who purchased land during the time when it was eligible for prairie farm assistance. It is not sound agricultural practice to have a section such as this, and that is the greatest fault to be found with it. All it says is that with regard to certain crown land, that land will not be under prairie farm assistance.

The next thing wrong with this amendment is that while certain land is removed from the act, in certain instances that land may be highly productive. I know of such parcels of land. It is not right that farmers should have paid one per cent year after year for prairie farm assistance and then be denied all benefits under the act. An amendment such as this must be discouraging to provincial governments that have been endeavouring to follow a sound land use program.

For example, the Saskatchewan government owns over 6 million acres, of which some ten per cent or a little over 600,000 acres has been leased for cultivation purposes. In other words, the department of agriculture of Saskatchewan has been most careful to lease for cultivation purposes only land that is suitable for grain growing. I do not think it is right that farmers who have purchased land from a municipality or the provincial government should be discriminated against by this amendment, when people who purchased land or who are leasing land from mortgage companies, railway companies or the Hudson's Bay Company are still eligible under the act.

I have a land use survey which was made in 1941 by the dominion Department of Agriculture. It shows that in 56 rural municipalities in south-central Saskatchewan at the time the survey was made there were 159,000 acres owned by the Hudson's Bay Company, some 23,000 acres owned by the Canadian Pacific and Canadian National, and 480,000 acres owned by mortgage companies. The minister is saying that any man who purchased land from a mortgage company or the Hudson's Bay Company, no matter if it is just sand, it will be eligible for prairie farm assistance if he cultivates that land. The same would apply if he leases that land.

For the life of me I cannot see any reason for this amendment. The minister says he wants to make a check, but the act has been in force for some ten years, and the proper economic and soil surveys have been made and all the information as to submarginal land is available. As I said, I expressed these same opinions in the committee, but I just wanted to emphasize them and say that while other things done under the act are advantageous, I am opposed to the first clause.

The hon. member for Souris mentioned what might be done under the act to help the people who have been flooded out in the Red river valley. I am afraid that even though the board switched from wheat to coarse grains in determining the yield for the purpose of deciding whether benefits would be paid, it would not result in any different decision from that which would apply if wheat alone were taken as the basis.

Mr. Ross (Souris): I agree with the hon. member.

Mr. Argue: The maximum for wheat is eight bushels to the acre, and, according to the regulations, the maximum for oats and barley is twelve bushels to the acre. In other words, a farmer must have a yield of less than twelve bushels to the acre of oats or barley if he is to get any benefits under this act. But if one farmer out of a hundred is able to seed part of his land, he may get a yield of 100 bushels to the acre of oats, sixty-five bushels to the acre of barley or forty bushels to the acre of wheat, while all the rest of the farmers in the township would have no crops because they could not seed or had seeded so late that the yield would be suitable only for feed purposes.

Mr. Ross (Souris): That happened along the Souris last year.

Mr. Argue: I imagine the hon. member is better acquainted with the details of that situation than I am, and it probably will happen again up there. I do not think it will make any difference to the farmers concerned. If these people are not able to seed, they should be brought under the act, even though an exception be made. They have paid a good deal into the fund under the act, and now when they are faced with adversity some exceptions should be made to bring them within its provisions.

Mr. Gardiner: There is no necessity of making any exception, because the provision is already in the act. Oats and barley could be brought in if the board decided that that was the proper thing to do, if these people have seeded this year. If these people have not been able to seed because of water, they will go on summer fallowing. If there is any wheat in the district I am sure that they would much rather take wheat as the basis than substitute something else. You do not need any amendments to bring them under the act, because the administration has always been on that basis.

Mr. Argue: If there were a hundred acres of wheat, that would be the yardstick and the production there might be forty bushels to the acre.

Mr. Gardiner: You would find it difficult to spread a little bit of wheat over a whole township and have it amount to more than eight bushels to the acre. It does not work out that way. I do not think you will have any great difficulty about that.

My hon. friend has repeated what was said in the committee, namely, that this government is expected to do something to help that district. They have said they are going to give financial grants to the province. Then they have said to the province, "You will have to deal with the municipalities and the municipalities will have to deal with the farmers." What I said in the committee was that if this act does come into effect down in that area I believe the first thing the committee will do will be to deduct anything the farmer gets under this act, when they are making a general distribution. I think that would be the sensible thing to do. If we are to have a special grant to take care of that area, there is no reason why this act should apply at all. If it did apply, it would apply only up to a certain point, and anything beyond that would be applied from another source.

Mr. Charlton: What appears on the order paper under item No. 5 is:

House in committee on Bill No. 209, an act to amend the Prairie Farm Assistance Act, 1939 (as amended).

Those of us who were members of the agriculture committee know what is in the amendment, but for the benefit of those who were not I would suggest the minister have the bill reprinted.

Mr. Gardiner: The bill has been printed for three weeks, and we do not usually reprint it to take care of amendments. I shall read the amendment to subsection (c) which is the provision that has been discussed up to the moment. It reads as follows:

(c) with respect to lands not sold or granted, or not agreed to be sold or granted, by His Majesty prior to the thirty-first day of December, nineteen hundred and forty, and for the purposes of this section such lands shall not be included in computing the cultivated land of a farmer, and the grain grown thereon shall not be included in computing the average yield in a township, but this paragraph does not apply to

(i) lands disposed of to a settler or veteran under the Soldier Settlement Act or the Veterans Land Act, 1942,

(ii) lands in a special area in Alberta as constituted by or under the Special Areas Act, 1939, of Alberta,

(iii) lands approved by the board and held by a co-operative farm association,

(iv) school lands, or

(v) lands with respect to which an agreement has been entered into between the government of Canada and the government of a province under the Prairie Farm Rehabilitation Act.

[Mr. Argue.]

The meaning of that section, for the benefit of those who were not in the committee, is as follows: In the provision which says that the act is not to apply to certain land, there is (a), (b) and now (c), which is this one. It says the act does not apply with respect to land not sold or granted or not agreed to be sold or granted, and that means lands that were not sold to someone outright or were not homesteaded; that is really the meaning of it. It does not apply to those lands if that had not taken place prior to December 31, 1940.

Then the latter part of subsection (c) says the first part of subsection (c) does not apply to certain lands within a group, such as lands disposed of to a settler or veteran under the Soldier Settlement Act or the Veterans Land Act in 1942. Those lands come back in under the act. Lands in special areas in Alberta, as constituted by or under the Special Areas Act of 1939, come under the act. Then there are lands approved by the board and held by a co-operative farm association—that covers the land to which the hon. member for Rosetown-Biggar was referring a few moments ago, which is in the old Matador ranch. That land is now under a co-operative farm association, and by virtue of this amendment it would be under the act.

The member for Assiniboia has brought up the question of school land and Hudson's Bay land. He did not mention the school land so often today, so I presume the explanation given on that has satisfied him that it is an exceptional case. The school lands are lands that were set up to be disposed of by auction, and the funds so obtained put into the school fund. We are not interfering with those lands. We are assuming that the old provisions made for the school fund are still operative, and still should be operative. We are not doing anything about those.

Then there are the lands with respect to which agreement has been entered into between the government of Canada and the government of the provinces under the Prairie Farm Rehabilitation Act. We sit down with the government of Alberta, Saskatchewan or Manitoba, and say that certain lands which were not disposed of prior to December, 1940, we would like to use to set up a pasture organization. The province says that is all right, so we make an agreement to move the men off the area we want to put into pasture and onto a piece of land which is owned by the province and that land is eligible for payment under the Prairie Farm Assistance Act. The discussions the other day had to do with the lands up in the north-eastern section of Saskatchewan which are still owned by the provincial government, because the timber has never been taken off

them. They have never been cleared. The land is not owned by the government merely because it may be poor land, as much of the land in the south is. The provincial government have already come to us and asked us to assist in getting that land cleared, in order that they can move settlers onto it. It has been suggested to us that the settlers they want to put onto it are the settlers we want to take off this submarginal land in the south. We have gone so far in the discussions as to say that we would not be interested under any other circumstances. If the province merely intended to open this land up for different settlers, such as people coming from Europe, Britain or the United States, we would not be interested in making any special arrangements about it which would involve this legislation.

We say, if you are going to consider moving people off the submarginal land in the south upon which we are now paying prairie farm assistance, and taking those people up to that area, then we are prepared to talk about an agreement. This provision says that if that kind of agreement is entered into, provision can be made for this land being subject to prairie farm assistance; that is the meaning of the section. I believe that covers every case except one.

The member for Assiniboia has suggested that we are discriminating against some people. I do not think the act discriminates for or against anyone at all, unless it be the veterans. It discriminates in giving them an advantage over other people and it discriminates in giving persons who have gone into co-operative farms an advantage over other people.

Mr. Argue: It did not take away any advantage they would have.

Mr. Gardiner: They did not have any advantage when they took that land. This act did not intend that land to be under cultivation.

Mr. Argue: It did not say that.

Mr. Gardiner: It did not say that, but if we had been asked for our opinion, that is what we would have said. Then they come along and say: "Here is a veteran who wants to settle near his people. There is a piece of that land there. Surely you are not going to deny this veteran the right to settle on it." The Alberta government will tell you that is the sort of appeal that has been made to them, and the Saskatchewan government will tell you the same thing. I know it is the kind of appeal that has been made to us. We have discriminated against other people in favour of the veterans, and I think quite properly so. We may feel he has made a mistake in some cases, but I think he has the right to make a mistake. We have simply left him under the act, and there is discrimination there.

The only other case is that of men who have bought land from the government since December 31, 1940. So far as I have the records, only about 12,000 acres have been dealt with in that way. There may have been some more recently of which I have not the record, but if so it is a small amount. Then there are others who have leased land. We do not know how large that group is. They have leased it on exactly the same basis as the returned veteran has been asking for land. They say their parents live near there, and they would like to get a piece of land. In spite of the fact that their parents have been on prairie farm assistance every year since this act was put into effect, except one, they have taken that land and broken it up. They are trying to live on it. We are not objecting to their trying to live on it; that is their own choice. Under these circumstances we do not think they should come under this act.

So far as making a check is concerned, I suggested in the committee that we wanted this to be retroactive so that we could check those cases. I stated that the matter had already been discussed with the government and that the government had agreed that after we have checked these cases, if we find that there is any great hardship on persons who have not just entered into the hardships of their own free choice, we would consider bringing down an amendment next year. But we would like this legislation as it is now drafted so that we can go out and make a check and satisfy people in other parts of Canada that we are not bringing people under this act who should not be brought under it.

Mr. Argue: After the minister makes the check, would the criterion, with regard to anyone he might then bring back under the act, be whether or not the land being farmed was suitable for farming—in other words, that people were not misusing this act in order to bring in poor lands, but were farming land that was good. After the check is made to find out if that is the case, would he give consideration to that point?

Mr. Gardiner: I am satisfied that any area down in that section of the country in which the people have had to draw under this act for ten years out of the last eleven is not a good enough area in which to break up new land. I think the sooner they are told that, the better for them; otherwise they are just going to live there and half starve to death for the rest of their time. That is the thing that we want to check—whether these people

are taking up land of that kind or whether their circumstances are better after they have taken up the land.

Mr. Argue: Of course that is the very thing the minister will not be checking, because he is not taking in railway lands or Hudson's Bay land. I am all for checking the submarginal land. Within those townships in which payment has been made for nine years or so, there is bound to be a good deal of submarginal land.

Mr. Ross (Souris): Ten years in some cases.

Mr. Argue: Yes, ten years in some cases. But even in those townships there can be land that is good wheat land and that is supermarginal, according to the economic surveys, just the same as you can go into a township in which there has never been any payment made under the Prairie Farm Assistance Act, and yet you may still find some submarginal land which is being used for wheat production. The only thing is that in one township it is a large percentage of the land and therefore shows up in the average yield; and in another it is a small percentage of the land and therefore does not show up in the average yield.

I want to make it perfectly clear that I am for the veterans preference at all times; but I would point out that any preference that is being given to veterans under this new clause is a preference which is given only because other people had a preference taken away from them. It is not an additional preference for veterans. You say: As to veterans, we will not touch them, but we will go after some of the others.

Mr. Gardiner: That is not correct.

Mr. Argue: I would not want the impression left that it gives all veterans farming on crown land a preference, because it does not. It gives a preference only to veterans who have taken up land under the Veterans Land Act. I see that the Minister of Veterans Affairs is here, and I think he will agree with me when I say that in the larger part of western Canada a half section of land is not an economic unit for a veteran, a civilian or anyone else. The Saskatchewan government believe that, as I am sure do other provincial governments. What the Saskatchewan government is doing in a great many cases is taking veterans who have obtained provincial lands under the Veterans Land Act and then saying to them: If there is another quarter of crown land available for you in the immediate vicinity and you make an application for that land, we will give you a preference. If that veteran has three quarters of crown land, two quarters of which he has obtained under the Veterans Land Act and the other quarter he has obtained only because he made application to the Saskatchewan department of agriculture and obtained a veterans preference, then he will not receive prairie farm assistance on the additional quarter. While there is a veterans preference, it does not go all the way for all veterans on all land they may farm.

Mr. Jutras: In view of certain statements that were made with regard to the act as related to the flood area, I should like to revert to that subject for a minute or so. I do not intend to go over the discussion we had in the committee on that section. I want to make it clear, however, that when I raised the question in the committee it was purely for the purpose of getting clarification of the regulations in view of a particular circumstance that may affect the Red river valley this year. I pointed out that this situation existed in the past in other areas. I quite agree with the Minister of Agriculture that we should not look for special relief treatment under the Prairie Farm Assistance Act. In this regard I would disagree, as a matter of fact, with the hon member for Assiniboia, who suggested that we should in some way evolve a special method of getting relief assistance through the P. F. A. A.

When I raised the question my intention, as I said, was purely to get clarification. In other words, there is an act that provides assistance when there is a crop failure. There is a possibility that there might be, for once, a crop failure in my district. My intention was to find out if we would get our due. I was merely trying to get the regulations clarified in order to make sure that we would get what was coming to us. It was on that basis that I went into this matter.

In view of the statement made by the minister today, I am afraid that I shall have to say that I respectfully disagree with the second part of it, to the effect that assistance through the P. F. A. A. is in a way similar to relief assistance that might be given by the government. The P. F. A. A. is a statute, and therefore if the district meets the conditions of the act, we are entitled to payment under the act; and as such we are entitled as of right under the act. Consequently the share of the relief assistance that will be assumed by the federal government is in an entirely different category.

As a matter of fact, from the practical point of view if we are paid any money under this act, I do not think it will be deducted from the relief fund, because I would hope that any relief money will be paid long before any cheques under P. F. A. A. are received. If there is a crop failure, I do not

suppose there is any likelihood of getting those cheques in before late next year. By that time we hope that the rehabilitation will have been completed. I think we should keep the two things separate and not confuse them. As I said, one thing is an act under which, if we qualify, we get payment he same as everybody else, irrespective of the cause. The cause may be flood in Manitoba. It may be drought. It will be drought in many parts of Saskatchewan and Alberta, because every year there are some parts of Saskatchewan and Alberta which get benefits under the act. I do not therefore see why the question should be brought in that there will be a deduction.

Some hon. members said that it did not make much difference whether the relief came from P. F. A. A. or whether it came directly from the treasury. I contend that there is a big difference between the two. As I said, one we are entitled to and we get. We are not asking—at least I am not—or advocating any special treatment under the act. What I want to make sure of is that we get what is coming to us. The other thing is an entirely different question, and I do not propose to go into it at this time. I refer to the money which will be contributed to the province by the federal government on a percentage basis.

So far as this amendment is concerned, I agree with the minister that the underlying principle is a good one. However, I repeat that in Manitoba we have had very minor benefits from the Prairie Farm Assistance Act over the years since its inception. So far in committee exceptions have been made to take care of particular situations in Saskatchewan and Alberta. We have proceeded more or less on the assumption that this amendment would not affect Manitoba. It is quite likely that it may not affect Manitoba; I do not know for sure. Apparently we have no way of finding out what effect it will have on Manitoba. I should like to put in the reservation that if it does cut down further the benefits that have been coming to Manitoba it may well cut them to such an extent that the usefulness of the act may almost disappear in that province.

The minister has given us the assurance that he wants to give this amendment a trial. That is quite agreeable to Manitobans as a whole. I am quite sure that we should give it a trial, and in that way we shall find out whether it affects our province or not. As I say, with the principle of the amendment I am in agreement. I think it is a good one, and we are prepared to see it tried out at least for the coming year.

Mr. Wright: There appears to be agreement on all sides as to the desirability of withdrawing submarginal land in certain areas in the south of the province from participation under this act. In my opinion, though, the best way to accomplish this is to spend a little more money under the Prairie Farm Rehabilitation Act. During the early years when the Prairie Farm Rehabilitation Act was in operation large numbers of settlers were moved from dried-out areas in the south of the province to better farming areas within Alberta, Saskatchewan particularly, and in some instances Manitoba.

I should like to get some information from the minister, if he has it, with respect to the number of settlers who were assisted under the Prairie Farm Rehabilitation Act to move out of these marginal areas into other areas during the years before the war. As a matter of fact it seemed to me that very few moved. I do not think any were given assistance during the war years to move to other areas. Since the war the movement of those settlers from the southern areas into the northern areas of the prairie provinces has not again started. In my opinion that is the only way in which we can meet the problem of reducing the payments under the Prairie Farm Assistance Act. The way to do it is to see that the settlers in those areas who took up land forty or fifty years ago, and some since that time, are given opportunity to move into better farming areas, either areas in which irrigation projects are being developed, or areas in the northern part of the province where we are not subject to drought and where land is still available.

There has been difficulty, I know. There has been a shortage of land in the northern areas of the provinces. Large areas in the northern parts of Alberta and Saskatchewan particularly were held in forest reserves until the timber had been cut. In a great many instances most of the valuable timber has been removed from those areas, and the land is now being opened for agricultural settlement.

As I said before, the best way to solve our problem with respect to reducing the Prairie Farm Assistance Act payments in the southern portions of Alberta and Saskatchewan is to see that these settlers are assisted in moving into better farming areas, either the irrigation areas or the northern areas which are not affected by drought.

Can the minister give the committee the numbers that were moved or assisted to move during those years into other parts, particularly in the two or three years prior to the war and since the war, if that movement has been started again? I mean assisted by the federal government through the Prairie Farm Rehabilitation Act since the war.

Mr. Gardiner: Approximately 1,400 families moved just prior to or in the early part of the war. Not many moved during the war period, for the obvious reason that the people who would want to move were not there. They were overseas, or somewhere else. It was mostly the young people who moved. They were not around during the war. They are back now. One of the things we should be very careful about is settling them in the area that they left rather than settling them somewhere else. We have been very careful about that. As I recall it, the first ruling that was made by the veterans organization was that people could not go into those areas at all. They would not agree to a favourable return with regard to applications that were made for lands in those areas.

Some of the members who have been speaking, including myself, have urged upon the Department of Veterans Affairs that they consider the fact that these people want to settle alongside their parents. Most of the places are in that category. Many members —not all of them are here now—who were in the house at that time would write me about it. I would take it up with Veterans Affairs, trying to insist upon their agreeing that these lands were good enough for the men to settle on. Some of us had to draw on our imagination in order to say that, but we were being kind. We were trying to be as kindly as we could toward them, trying to make it possible for them to get settled again near home. I say that we do not object to that, but it did interfere with the possibility of getting resettlement of these people. We have made arrangements under which we thought we would be right in the middle of resettling people. We purchased the Canada Land and Irrigation holdings in Alberta. The law is slow enough in this country, but we find that it is much slower over on the other side of the ocean. We have been moving heaven and earth to try to get titles to that land cleared, but we cannot speed up the courts over in that country. We do not know when we are going to get them cleared. It may be about the middle of this summer. If we had them cleared we would have been moving people right from the day in the spring that the work could be started. We want the settlers to do all their own work on this land. We do not want to hire a contractor to go in and level the land and do all that kind of thing; we want these people to go there and do it themselves. People appreciate much more a farm that they build themselves than they do one that somebody else has built for them. We want to do that. The delay in securing title is the only thing that held it up. We want to be in a position, just as soon as we possibly can, to move more of them.

Mr. Wright: What the minister has just said is that since the war practically no assisted movement under the Prairie Farm Rehabilitation Act has taken place. We are only now getting to the point where the movement that was in fact taking place prior to the war is again becoming operative. He mentioned that with regard to the irrigated area in Alberta agreements are being reached. Will people now living in Saskatchewan in these submarginal areas be given the opportunity to move to Alberta, or will the irrigation project be used entirely for the people of Alberta from the drought areas? Has progress been made in reaching an agreement with the Saskatchewan government with respect to the area in northeastern Saskatchewan of some 200,000 acres that is being removed this year from forest reserve and being made available for settlement and agricultural purposes?

Mr. Gardiner: Replying to the first question, the Alberta government itself is opening up an area a little larger than that of Canada Land and Irrigation. It is all part of one scheme. We are assisting by widening the ditch and making it possible for them to get water. They are going to utilize that for the Alberta people, giving a preference to returned men. In the other area we can bring in people from anywhere. Our intention is that they will come only from submarginal areas, but they may come from Saskatchewan, Manitoba or any part of Alberta.

The answer to the last question is that no agreement has been entered into up to the present.

Mr. Fair: What is the position with respect to land homesteaded twenty, thirty or forty years ago, disposed of by sale by the government, and then, for non-payment of taxes, reverting to the government and being disposed of since December 31, 1940?

Mr. Gardiner: Any land that was homesteaded or sold prior to December 31, 1940, is eligible under this act, unless it was cultivated and abandoned. If it was once cultivated and abandoned it is not eligible. But this amendment does not affect that; that provision is in the act as it was.

Mr. Charlton: What is the position of a co-operative farm which was established prior to the passage of this act but which will not be approved by the board?

Mr. Gardiner: It is already provided that those co-operative farms are in. That has

been agreed by letter, and in every way. The lands that are under this are practically all similar to the Matador ranch. They are suitable so far as the lands are concerned. Those co-operatives are under now and will remain under. If they have not been passed upon, they will be.

Mr. Charlton: In other words established co-operative farms will be automatically approved by the board?

Mr. Gardiner: Yes.

Section agreed to.

Sections 2, 3 and 4 agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Gardiner moved the third reading of the bill.

Mr. Charlton: I do not think it is fair to read the bill a third time when it has not been printed.

Mr. Gardiner: It has been printed. That has been repeated over and over again, and it is not so. Scarcely a bill goes through the house without some amendment. We do not reprint a bill because there is an amendment in it. One section in this bill has been amended, and that is all. That amendment was read and discussed for days in committee. My hon. friend sat there all the time it was being discussed, and helped draft the amendment. To say it has not been printed is not correct.

Bill read the third time and passed.

DEFENCE SERVICES PENSIONS

METHOD OF COMPUTATION—CREATION OF SERVICE PENSION BOARD

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider Bill No. 134, to amend the Militia Pension Act and change the title thereof.

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

On section 1—*Title of Militia Pension Act changed.*

Mr. Harkness: Mr. Chairman, this bill was referred to the committee set up to consider Bill No. 133, respecting national defence. Careful consideration having been given to the bill by that committee, I do not think it is necessary to repeat the objections raised at that time to some of the sections.

All these sections concerned money matters; therefore the committee really had no power to make any material change. During the course of discussion in the committee certain recommendations were made by some members, particularly by the hon. member for Nanaimo, and those recommendations are set out in the proceedings of the committee.

I understand that there will be further amendments to this act, either at the next or the following session. I draw these recommendations to the minister's attention and express the hope that they may be given serious consideration when further amendments to the act are suggested.

Mr. Claxton: Mr. Chairman, I can give the hon. member the assurance that those recommendations are already receiving consideration. It was found that a number of them would involve consequential amendments, and also might involve new principles which would have to be considered. However I can give the hon. member the assurance he wishes to have.

Section agreed to.

Sections 2 to 17 inclusive agreed to.

Bill reported, read the third time and passed.

At one o'clock the house took recess.

The house resumed at three o'clock.

NATIONAL DEFENCE

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

Hon. Brooke Claxton (Minister of National Defence) moved that the house go into committee to consider Bill No. 133, respecting national defence.

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

On section 1—*Short title.*

Mr. Claxton: Mr. Chairman, before the house takes up consideration of the bill I should like to express my appreciation to the members of the committee established especially to consider this and the other two defence measures. I think it was their experience, as well as that of others concerned with these important measures, that during their thirteen meetings they met together and discussed objectively the matters contained in the bills, with the sole purpose of having just as good a set of legislation relative to national defence as was possible.

Bill No. 133 is the largest single bill put before the house and this committee since 1934, I believe. It contains 251 sections, incorporating in their text the provisions of a number of statutes relative to defence, totalling approximately 600 sections in all. This is far more than a consolidation. It is a new act which unifies and consolidates all the legislation having to do with defence.

I am sure I express the views of other members of the special committee when I say that the expeditious and thoroughly conscientious way in which their work was carried out was in no small measure due to the excellence of the chairmanship of the hon. member for Vancouver Centre. In that regard I am sure he would be the first to say that he had the support of members of the committee representing all parties in the house.

The bill contains some forty-seven different amendments made by the committee, of which about thirty were proposed by representatives of the department, and the remainder originated in the committee. I do not think the general trend of the amendments is controversial. If they had any general pattern it was to provide measures which would be even more uniform in respect of the three services than those in the bill as it was referred to the committee. Also the changes in the provisions generally tended to favour the position of the accused, but they are entirely acceptable to the department and to the government.

I commend the bill in its amended form to the consideration of the committee.

Mr. Harkness: Mr. Chairman, the minister has said that the bill was carefully considered in the special committee. We received fine co-operation from the representatives of the three service departments which are particularly concerned with the administration of justice in the services, and I should like to thank them for their co-operation. As a result of the contact that members of the committee had with them, I am sure we were all convinced that administration of justice in the services will be well looked after by them.

The minister has said that the committee suggested a considerable number of amendments. Of course some were suggested which were not adopted, and I presume that is always bound to be so. Everything suggested is not acceptable to the services concerned or to the government. By and large, however, I think the amendments adopted improved the bill to a considerable extent. I think the useful work done by the committee is an indication of the fact that a committee to deal with defence matters in a broader manner would be a useful instrument for investigation of all matters concerning defence.

All members of the committee expressed their views fully as to changes that should be made in the various sections of the bill, and so far as I am concerned I will have very little more to say now. The amendments were numerous, and in the committee we passed a motion that the bill be reprinted before it was brought back to the house. I do not know whether or not that has been done. I have not had a new copy of the bill, and I think it might be a little difficult for members who were not on the committee to follow it without having the reprinted bill before them. I presume we can go ahead with the old bill, however, and have the amendments read as they arise.

Mr. Gillis: As one of the members who had the privilege of serving on the special committee, I have a few observations to make. The first is that the title of the bill may be misleading. We may think we are starting to discuss a measure concerning national defence as such. My conception of the present bill is that we are not devising ways and means to build forts, an air force, and so on. The main objective of the bill is to bring about some uniformity in the matter of military law so far as the army, navy and air force are concerned. In the past the army was largely guided by the old British army act. Being a relatively new organization, the air force had their own rules and regulations in matters of discipline. The navy has its own formulas. The main objective of this bill is to arrive at some uniformity in matters of discipline, and I think in that particular the bill has achieved its objective. I do not think you will ever be able to have a workable arrangement that will tie the navy, the army, and the air force together; the navy should have some latitude because of the difference in its operations. Looking at the record of all three services I think we must admit that during the last war there was an excellent job of administration by all services.

I had the opportunity to go over this bill section by section, and I am satisfied with it; I think it is as good a job as could be done under the circumstances. I found the committee to be a most efficient committee, and its meetings were well attended. The chairman did an excellent job. He was cool-headed and seemed to have a lot of common sense, something which is rather rare today.

If there is any particular credit to be given to anyone in connection with this bill I think it should go to the officials of the different branches who were called as witnesses. There were three young men before

the committee who were very well qualified, most efficient, and had all the answers at their fingertips. The dispatch with which the bill went through the committee was due largely to these men from the navy, army and air force who came before the committee with a bill which they had drafted themselves and which they thoroughly understood. Each one accepted the responsibility in his own field. If amendments were suggested that were not considered reasonable, our minds were soon clarified.

As we consider the bill section by section there may be other matters that I shall deal with, but, I repeat, it is about as good a job as could be done under the circumstances.

Mr. Balcer: Mr. Chairman, as a member of the committee I want to say that I think a real job was done with this bill. The work of this committee proves the necessity of having a committee on national defence, which would be to the advantage of the three services as well as to Canada as a whole. From the work of this committee we have seen that matters of national defence can be studied by cool heads and real progress made. I do not see that any argument can be offered against the setting up of a committee on national defence.

Mr. Blackmore: I had the privilege of representing the Social Credit group on this committee. First of all I should like to commend the chairman. I do not believe I have ever served under a finer chairman, and I doubt if I have ever served under as fine a chairman as the hon. member for Vancouver Centre. Considering the fact that this was his first experience, he deserves the highest praise.

One thing that was observable in connection with the work of the committee was the fine spirit of sincerity and objectivity which prevailed generally among the members. I found no member of the committee who was not prepared to listen to suggestions from other members and weigh them. Generally speaking the members would hold on until everybody came to a sort of unity of faith as a result of considering the opinions of others.

We were fortunate in having on the committee so many men with such wide experience. I mention the hon. member for Nanaimo as only one, and when I say that there were several members on the committee who seemed quite as much at home with matters concerning the fighting forces as that hon. member, it will be realized that we had a genuinely fine committee which rendered the best of service to our country.

We are not saying that the bill as it now stands is the acme of perfection, but I think under the conditions under which we laboured it constitutes the finest contribution that we in our generation can make to a finer and better military service.

Mr. Smith (Calgary West): After listening to these paeans of praise I hesitate to say anything which might be regarded as a discordant note, particularly as I was not a member of the committee. There is a good reason for that. As I told the house on another occasion some years ago, my total military experience consisted of having been a lance-corporal in the boys' brigade of a Methodist church in Regina.

Ever since I came to Ottawa I have been interested in courts martial. I want someone to explain to me why in peacetime serious crimes are to be dealt with by courts martial within the armed services. I know that there is an amendment dealing with murder, rape and other crimes, and I know that the attorney general of any province may direct that the matter be tried in a civilian court on the basis that the civilian authorities must always be paramount. But I have yet to hear it satisfactorily explained why serious crimes such as robbery with violence, or armed robbery, things which are becoming too prevalent in this country, should be dealt with by courts martial. Why is it that the armed services insist on having what is practically exclusive jurisdiction in matters of that kind?

We must remember that in the administration of justice generally all prosecutions begin by the laying of what we call an information. Sometimes an investigation is carried out by the police or the protective authorities before an information is laid, but when a crime is openly committed no further investigation is needed before the laying of an information. What I have in my mind is this. We say that the attorney general may remove a case from service jurisdiction to a court; yet that seems to me to be a nebulous thing to say when civilian officers of the law have had no part in the investigation of what may result in a charge under military law or an information in our civilian courts.

I accept the word of hon. gentlemen who have spoken as to the excellent job that was done, but it does seem to me, if I am correctly informed as to what the law, even though amended, is, that the civilian court jurisdiction is practically ousted, except in cases of rape and murder; and there is one other which escapes my memory at the moment. Let us consider robbery with violence, or breaking and entering. When someone makes up his mind to break and enter a dwelling house, you often see violence. In

fact just the other day I was reading in one of the Ottawa papers about a householder shooting a housebreaker dead. The judge, in an Ottawa court I presume, directed the jury that there was nothing for them to decide, because the individual was acting within his rights. Someone died as a result of that incident. I wish, therefore, the minister or someone would explain to us why we have narrowed these serious crimes and confined the jurisdiction within the service.

Mr. Claxton: Mr. Chairman, while the observations of the member for Calgary West might properly be made under section 62 of the bill, I am sure that hon. members will allow me to follow him and deal with his remarks, because I agree with him that they have a rather wider connotation than their relationship to section 62 and following sections.

I should like to point out, with respect, that the hon. member is clearly under a misapprehension as to the state of the existing service law, and also as to what is proposed under this bill concerning the relationship of service law to civil law. In the first place, it is part of the existing law of the land, whether it be service or civil, and it is fundamental to our system of law, that the civil authority is supreme.

Mr. Smith (Calgary West): I said that, of course.

Mr. Claxton: That is stated in section 62, subsection 1:

> Nothing in the code of service discipline affects the jurisdiction of any civil court to try a person for any offence triable by that court.

Quite contrary to the service courts ousting the jurisdiction of the civil courts, this provision, and indeed the common law, expressly provides that the civil courts shall be supreme. In any cases which service courts or service law purport or attempt to deal with, it is stated that that is exclusive of civil jurisdiction.

Mr. Smith (Calgary West): I agree with that, of course.

Mr. Claxton: Service courts have no exclusive jurisdiction in respect of civil offences. In fact, they do not try civil offences where the civil courts try civil offences, because if a civil offence is tried by a civil court then the service court has not jurisdiction. Under no circumstances does the service court oust the jurisdiction of the civil court. If the offence is in fact tried by the latter, in consequence of the civil attorney general laying an indictment or commencing other civil procedure, then the service court by that very fact has not any jurisdiction.

[Mr. Smith (Calgary West).]

Mr. Smith (Calgary West): Yes, that is right.

Mr. Claxton: The reason, therefore, for providing that a number of civil offences shall also be service offences is to take care of the case where the civil court does not act or cannot act. It is for that reason that our statute makes the express provision that civil offences are also service offences. In that respect it is similar to the service law of the United Kingdom and the United States, as well as every other country of which I know. There is no other way of doing it. We must provide a complete system of law which is ready to go into effect if the civil law authorities do not act.

The reasons for that, I think, are threefold. In the first place, in the event of war, service personnel may be serving overseas where no civil court is set up. That was true of a large part of the areas in which our forces were during the second world war. In the second place, even in peacetime service establishments are set up at places where there are no organized civil courts, and if a man commits an act of assault against a fellow soldier there is no civil court operating there to deal with the case. The case should be dealt with. Then there is a third reason, and that is that the civil authorities themselves, in a considerable number of cases, prefer to have the matter dealt with by the military authorities. Take as an illustration the case I mentioned a moment ago. If within the confines of a camp a soldier commits an act of assault against another soldier, ordinarily the civil authorities prefer that we deal with it. We do deal with it. But if the civil authorities deal with it, then we cannot deal with it and we have no means of indicating to them our preference. The civil authority is always supreme.

Mr. Smith (Calgary West): If the minister looks at section 61, he will see it is headed "Limitations with respect to certain offences." It reads:

> A service tribunal shall not try any person charged with an offence of murder, rape or manslaughter, committed in Canada.

May I say also that I agree with everything the minister has said about the law as it is or has been. But here we have those three things specifically excepted from the jurisdiction of service courts in Canada. My only suggestion is, and will continue to be, that other major offences should be added to section 61, such as those I mentioned a moment ago—robbery with violence, and breaking and entering. In these days those are the most serious offences which are committed. Obviously I was referring to

peacetime; I was not suggesting that in wartime the army should not have all the jurisdiction in the world.

Mr. Macdonnell (Greenwood): Mr. Chairman, there is a matter which I should like to bring to the attention of the committee. In doing so perhaps I shall need something more than the latitude which we are allowed on the first section of a bill. I hope the minister will be patient with me, because I shall take only a minute or two.

I should like to take this occasion to bring to the attention of the committee a matter which I have often thought of since I was in the army and on service myself. That is the fact that in the British army a chaplain is a commissioned officer and a non-combatant. In the French army I understand that chaplains are non-commissioned officers and are combatant. My observation was that being an officer and a non-combatant put a chaplain in our army under the greatest possible disability. First of all, he was separated from the men. He was associating with the officers. A man who wanted to consult with him about the state of his soul had to be paraded before him by a non-commissioned officer; and that always struck me as an extremely odd way to enter upon an intimate conversation.

In the second place, my observation was that only those chaplains who persistently disregarded what was supposed to be the conduct laid down for them were able really to have influence among the troops; by that I mean only those chaplains who persistently went into the danger zone and who, to all intents and purposes, were combatants—that is, at any rate, to the extent of sharing the dangers of combat. But in a great many cases chaplains through no fault of their own, found themselves relegated to rear areas. Perhaps the most serious work they did, apart from conducting funerals—there were no marriages—was to act as secretary of the officers' mess. In general, this disability seemed to me to be a great pity. It seemed to me to deprive nine out of ten chaplains of the great influence which they might have had. I suggest that it might be well for us to consider whether what I understand to be the practice in the French army is not sound and worthy of consideration.

The Chairman: Before proceeding with the bill, may I suggest that we call clauses 1 and 2, and then that I might call the bill by parts instead of calling each clause. We have twelve parts of the bill and 251 clauses. Is it the unanimous wish of the committee that we proceed by parts?

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: Shall clause 1 carry?

Mr. Smith (Calgary West): I am through, Mr. Chairman; but to suggest that we are going to call a bill of this length by parts and not by sections would immediately allow the critics of the House of Commons to say, and with some justice, that we were completely disregarding our duties here. Let us go through the motions anyway.

Section agreed to.

Sections 2 to 15 inclusive agreed to.

On section 16—*Regular forces.*

Mr. Wright: This is the clause which regulates the size of our forces in the army, the navy and the air force. I should like to draw to the attention of the committee the fact that in this clause we are departing from a principle which has a long tradition in British history; that is the tradition that the numbers in our armed forces are directly under the control of parliament as distinguished from the governor general and the minister in charge of that department. Formerly, by act of the House of Commons, a limit was placed on the numbers of our armed forces in the army. Under clause 16 this matter is left entirely to the discretion of the governor in council. Formerly the air force and the navy were left to the governor in council, but the number of the men directly in the army was provided for by act of parliament. It is an old tradition in British history, dating back to the time of Cromwell if not before that time, that parliament itself should control the size of the army in the country.

I just wanted to bring to the attention of the committee the fact that here we are making a distinct departure from the customs that have prevailed down through history in Great Britain and in Canada. It is all right to say that we control the size of our armed forces through the vote we pass here each year for the carrying on of our armed forces, but this is an indirect way. In Great Britain today each year there is passed the army act—and I understand there is also passed every year what is called the mutiny act—which directly controls the pay and allowances of the armed forces. Thus parliament itself keeps within its control the size of the army at any time in that country.

I do not want anybody to misunderstand me and say that I am trying to restrict the size of the armed forces we may wish to have in Canada at any given time. Under conditions as they exist in the world today, I think we must be prepared to meet any

emergency. Nevertheless, this is a distinct departure and leaves within the control of the governor in council the size of our armed forces. That is a matter which is fairly important in a democratic country, and is a departure from traditional procedure in the British commonwealth of nations.

Mr. Claxton: The hon. member for Melfort is of course completely correct in both his statement of the position as it has been and of the change proposed. I think the justification for it is that, under existing arrangements for defence, the number of men actually involved in the defence of any country at any time is only one of a great number of factors that constitute the control of defence. At the time when the annual army act was brought into effect, in consequence of three uprisings in Britain in which the army had taken a leading part, the number and size of the army really determined what its effect would be on the state. The provision to which the hon. gentleman has referred, under which the size of the army in Britain is controlled by the annual army act, was introduced some two hundred years ago in order to prevent the army, through its size, from being a threat to the state. In Canada there never has been such a possibility, and I am sure there never could be such a possibility. With forces such as we envisage, of the magnitude of 50,000 for all three services, the army could not be a threat. But in modern times what is more important really than the size of the forces is the kind of equipment they have. In order to effect control it would be desirable not only to control the number of men but also the number of aircraft, tanks and so on. I submit to you, Mr. Chairman, that that is done most effectively today through the control of the estimates and the appropriation bill. We believe that parliament in that way has, from year to year, complete control over the armed forces. That is certainly our intention.

Mr. Fulton: I am interested in this section. I recall that we had a similar discussion two or three years ago when the minister's predecessor was minister of national defence. My recollection is that at that time a similar change was incorporated in one of the acts, removing the actual control over the limits of numbers of the army from parliament and vesting it with the governor in council. My recollection, although not clear, is that as a result of the discussion some modification was made in the proposed removal of control from parliament. While I quite appreciate the force of the minister's explanation, what I am wondering is whether it would not be possible, without making it inefficient or cumbersome from the point of view of administration, to set the maximum number in the statute itself, and leave it still open to the governor in council to set the ceilings which from time to time may be authorized within that maximum number. Would that make it a matter of great difficulty in administering the forces or in bringing about the necessary changes from time to time?—because if not I would think that consideration should be given to that suggestion.

Mr. Claxton: The only time when any government would feel it desirable to go beyond the limits imposed in consequence of the last appropriation bill enacted would be in the event of an emergency that was anticipated in the immediate future.

If an emergency were anticipated in the immediate future, certainly if I were minister of defence and had the powers available under the War Measures Act, I would not hesitate to increase the forces over the statutory limit, if it were in the national interest and it were legally permissible. Therefore in the only case—

Mr. Fulton: That is true in an emergency, yes.

Mr. Claxton: —in which we would wish for a second, or conceive it possible, to go beyond the limits of parliamentary control as exercised the last time an appropriation bill was passed would be in the event of an emergency. Then, if it were justified, we would have to take action contrary to the limitation.

Mr. Coldwell: Is not the emergency which the minister visualizes an emergency which would require the calling of parliament, in any event? Parliament would then immediately be able to authorize the necessary extension, if an extension were necessary. I think under the Atlantic agreement it is understood that each country will decide what it will do for itself. I take it that will involve, as it did in 1939, the calling of parliament, and parliament authorizing the necessary action in the event of an emergency of the kind which I think the minister visualizes.

Mr. Claxton: If my recollection is correct, no effort was made by parliament in 1939 to fix the number of the forces. I would think that parliament would hesitate to put any limits on the activities of the government at that time.

Mr. Coldwell: This is peacetime; it is a little different.

Mr. Claxton: Yes; I say that in peacetime no government would find it possible to go

beyond the limits imposed by the appropriation bill. In the event of an emergency parliament would not wish to impose any restriction.

Mr. Coldwell: Parliament would be called and could deal with the emergency and authorize the maximum—

Mr. Claxton: Yes, but I do not think parliament would even authorize the maximum except to say there shall be no limits.

Mr. Fulton: That is right.

Mr. Coldwell: Parliament would decide it in wartime. It seems to me to be unnecessary in peacetime to have this provision in the act.

Mr. Claxton: My point is this; in peacetime it is not possible because there will not be that money available. There will not be any more money available than parliament agreed to at the time the appropriation bill was passed, you see.

Mr. Coldwell: Yes, I see.

Mr. Claxton: In wartime parliament itself would not want to impose a restriction. Therefore, from the practical point of view we are better without it.

Section agreed to.

On section 17—*Continuation of existing constitution.*

Mr. Smith (Calgary West): I heard something said about reprinting the bill. Has it been reprinted?

Mr. Claxton: It has not been reprinted. It is being rushed through just as fast as it can be.

Mr. Smith (Calgary West): I am not criticizing. It just is not available?

Mr. Claxton: It will be available late tonight or early tomorrow.

Section agreed to.

Sections 18 to 20 inclusive agreed to.

On section 21—*Commissioned officers.*

Mr. Herridge: I should like to say a few words in support of the remarks of the hon. member for Greenwood with respect to the question of chaplains having commissioned rank. What I have to say I say from a certain amount of experience with the armed forces and from observations during the last war, and from conversation with veterans of all three services. I think the suggestion made by the hon. member was a good one. It has always appeared to me that by giving a chaplain commissioned rank you are separating him to a great extent from the rank and file of the regiment, the group, company or ship. I could never imagine one of the apostles having a batman to clean his boots, or somebody springing to attention, and saying to them, "Sir". I have comments made to me on many occasions by troops in various places and in various stations on this question. I realize the necessity of army discipline but I would suggest, Mr. Chairman, it would be good enough if the chaplains had warrant rank instead of commissioned rank. That would not separate the chaplains as officers from the men probably so completely as it does at the present time. I would like the Minister of National Defence to inform the committee what a chaplain receives as an honorary colonel, as an honorary major, and as an honorary captain; what allowance he receives per diem and what services he is entitled to, such as batmen and so on.

Mr. Claxton: Mr. Chairman, the point raised by the hon. gentleman who has spoken is of course one of considerable interest, which obviously does not come under this bill, but I should be very glad indeed to make some comment on it now.

In the first place, the point of view which hon. gentlemen have expressed is one which has often occurred to many of us. I must say that when I came into this office three years ago and was seeking to unify the forces as much as possible I discussed with representatives of the various churches and services the possibility of having a single chaplain service for all three services, and of having no ranks for all chaplains. I took this up with representatives of the Catholic and of the Protestant churches who are represented by a special committee dealing with the armed forces. I consult with the Vicar Apostolic of the armed forces and the representative of the Protestant churches with regard to all matters regarding the chaplain service and religion in the armed forces. I should tell you that their view unanimously was opposed to the view set forth by the hon. members. They felt that in the military organization rank is of importance. People know where they stand in relation to each other. For the chaplains to exercise their functions properly they must have not only the respect which is attached to their cloth and to their service, but the status which comes from their having that rank. Further, if the directorate of military engineering or of infantry training is to be headed by a full colonel the chaplain service, being equally important, should be headed by an officer of the rank of colonel or equivalent. I can assure hon. members that I voiced the same point of view as they have. I found the representatives of all the churches and of all the services unitedly opposed to me in that contention.

With regard to the suggestion made by the hon. member for Greenwood that it was necessary that men be paraded by an N.C.O. before chaplains, that simply is not so in the armed forces today. The men and officers have access to their chaplains in exactly the same way as they would have access to their spiritual advisers in private life. May I add that I have met almost all the chaplains in our armed forces. We had none in the permanent force before the war; we now have nearly a hundred. They are chosen in consultation with their churches. These are men who have fine records, usually both academic and in the services. They perform an exceedingly valuable and continuing service from day to day not only as spiritual advisers but also acting as they would in their normal pastoral capacity as applied to the service personnel, their dependents and children, at the service camps. I can assure hon. members that this matter has received consideration; and on the basis of all the information received and recommendations made I believe we should leave things as they are.

Section agreed to.

Sections 22 to 27 inclusive agreed to.

On section 28—*Attachment and secondment, within the Canadian Forces.*

Mr. Smith (Calgary West): What is the difference between a member of the armed forces being attached and being seconded?

Mr. Claxton: The terms are defined in service regulations. When anyone is "attached" to another organization he continues to be paid by his own service and to form part of it. When he is "seconded" he is paid by the other organization and is really totally though temporarily detached from his own service.

Section agreed to.

Sections 29 to 31 inclusive agreed to.

On section 32—*Active service, placing forces on active service*

Mr. Smith (Calgary West): This section states that the governor in council may place the Canadian forces or any service, component, unit or other element thereof, or any officer or man thereof on active service anywhere in Canada, and also beyond Canada, for the defence thereof at any time when it appears desirable so to do by reason of an emergency.

Does the word "emergency" refer to defence measures, or is the word broad enough to cover, let us say, the recent Winnipeg flood? From a reading of the section I should not think it would be. Does the authority reside within the army itself when forces are sent to meet emergency conditions such as those which developed in connection with the floods? I ask the question only to be sure that we have some authority for doing that splendid thing which was done at Winnipeg.

Mr. Claxton: The hon. member is quite right in his assumption. The meaning of "emergency" is set out in section 2(1), as meaning war, invasion, riot or insurrection, real or apprehended. So that the word would not cover the Winnipeg flood. That would be covered by clause 35 in the bill. The legal justification or authority for using the armed forces in the Winnipeg flood, the Fraser valley flood or similar disasters, is in the power of the government to employ forces on training or exercises, or for any other national purpose.

Mr. Smith (Calgary West): Then the minister is satisfied that the authority is there? Then, what is the proper definition of the word "component" as it is used in this section? Has it any specific meaning?

Mr. Claxton: By clause 15 the Canadian forces shall mean—

—the naval, army and air forces of His Majesty raised by Canada and consist of three services, namely, the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force.

Clause 16(1) states:

There shall be a component of each service of the Canadian forces consisting of officers and men who are enrolled for continuing, full-time military service.

Then we have another component consisting of those enrolled for part-time military service, and a third component consisting of those who may be called out on active service. The word "component" is equivalent to the word "part".

Mr. Smith (Calgary West): It refers to the individuals?

Mr. Claxton: Yes.

Mr. Ross (Souris): Is it customary, where the army performs such splendid work as it did in connection with the Winnipeg flood, to charge up the cost of that work for the time being to the province affected? Is it customary to charge up the pay and allowances of the entire personnel who, in this instance, did such a splendid job in Winnipeg, to the provincial government for the time being, until a later adjustment is made?

Mr. Claxton: That is a matter for arrangement. In respect of the Fraser valley and Winnipeg floods it was arranged with those provinces before service personnel went in that the provinces would cover the cost. In the case of the Fraser valley flood, the cost of

that personnel was one of the matters which entered into the negotiation of the contribution to be made by the federal government.

Mr. Ross (Souris): But for the time being it is charged to the province.

Mr. Claxton: We are keeping accounts on that basis.

Section agreed to.

Sections 33 to 40 inclusive agreed to.

On section 41—*Presumption of death; authority to issue certificate.*

Mr. Smith (Calgary West): May we anticipate any complications in view of the conditions surrounding presumption of death in civil life? In civil life, after an absence of seven years, the onus is on the person seeking the order of presumption of death to show that all steps had been taken to find the missing person. Then the court will issue an order of presumption of death. However, under our law, the wife of an absent person who has married again is still guilty of bigamy.

The last part of the section contains these words:

—in relation to his status and service in the Canadian forces, be deemed to have died on that date.

Has any consideration been given to the civil position where there is a presumption that a person has died on a certain date?

Mr. Claxton: Yes. Of course this has relation only to his status as serving in the Canadian forces. We are endeavouring only to deal with the matter from the point of view of a man's interest, and his dependents' interest, in having some determination as to his death so that, for example, a pension may become payable to his widow. We do not purport to make any declaration or presumption of death that will have any bearing on his estate from the point of view of the civil jurisdiction of the provinces. I should add, however, that the provinces have found it very convenient indeed to have a declaration made by us. In the case of several of the provinces they have said by statute that a declaration or presumption of death made by us shall for provincial purposes be deemed to be a declaration or presumption of death. There is no conflict, and in fact there is a good deal of complementary action.

Mr. Smith (Calgary West): It strengthens the position instead of weakening it.

Mr. Claxton: That is right.

Section agreed to.

Sections 42 to 53 inclusive agreed to.

On section 54—*Powers of the defence research board.*

Mr. Wright: In speaking a few moments ago the minister stated—and I think quite rightly—that the type of equipment and armament with which our forces are supplied is more important today than the numbers in the forces. Under section 54(c) the defence research board may, with the approval of the minister:

Enter into contracts in the name of His Majesty for research and investigations with respect only to matters relating to defence.

Under this section the defence research board is given the power to conduct the various types of research necessary for the armed forces today, and that is entirely under the control of the minister. The type of research necessary today to develop radar, atomic and other weapons which may be used in a future war requires several years to complete and the expenditure of vast sums of money. There is very little use in commencing a research project involving new weapons unless you are prepared to carry it on for a number of years until you arrive at a successful conclusion. I think the power to institute this type of research is a pretty wide one to place in the hands of one minister of the government. I have every respect for the present minister, and I am sure if he were instituting a new research project the matter would go to the governor in council before it was started.

I understand there is a regulation providing that where an expenditure for research is to be more than $15,000 the matter must be taken to the governor in council. Nevertheless that is not in the act. It is a regulation which can be changed from time to time without the consent of parliament. It is true that parliament will be notified of any change in the regulation when it is made. It seems to me, however, that the initiation of major research projects should be undertaken by the governor in council rather than the minister. At the present time I cannot conceive of the power being abused, but if one stops to think about it this is a permanent act. It will be on the statute books twenty-five years from now when we have passed on and other people will be concerned with it. With the world constituted as it is today it is possible that such a wide power placed in the hands of a minister might be abused. I would have preferred to see a provision in the act stating definitely that the governor in council should be the body to institute matters of major research rather than the minister on his own initiative.

Mr. Claxton: I appreciate the remarks of the hon. member. I think the situation here is the same as in the case of the national

research council. The national research council can inaugurate research without reference to the governor in council but with the authority of the Minister of Trade and Commerce to whom it reports. The national research council is a most successful organization. It has operated very well and has never given cause for anything but congratulation and praise. In setting up the defence research board we followed closely the general set-up of the research council. We have set out here the constitution of the defence research board. In subsection 2 of section 53 the members of the defence research board are named and include the president of the national research council and representatives of universities, industries and other research interests. Our thought was that the defence research board would have powers corresponding roughly to those of the national research council, and that they would use the moneys made available by parliament for defence research in the way they thought desirable, but subject to the approval of the minister.

I can assure the committee that I have of course checked every recommendation they have made, and in major cases have secured the consent of the cabinet defence committee or of cabinet itself. I think the hon. member's proposal would unnecessarily hamstring the activities of the board and load cabinet with a great deal more work than would be justified by any results that would be obtained. I do not think the hon. member appreciates that we probably have in existence now somewhere between 500 and 600 contracts of this kind. Sums of money ranging from $250 to $50,000 a year are paid to virtually every university in Canada and a great number of industries to assist them, or an individual, to do some bit of defence research. To require that each one of those, or even any of them, should go to the cabinet would, I think, burden a body that is already pretty heavily burdened with an amount of detailed work which is greater than in any other country that I know of.

Of course somebody else should say this, but our experience is that it has worked very well indeed. I think you will find that other countries have regarded our set-up for defence research as being more desirable, more workable, and better controlled than theirs. It also has the advantage of being very closely tied in with other government activities and with the services.

Mr. Gillis: I listened to this argument in the special committee, and I have listened to it again now. Under the circumstances existing ten or twelve years ago I think perhaps the hon. member for Melfort would be absolutely right. There is a lot of merit in the argument advanced by the minister. As things are now I think even this provision in the act is going to cause some shifts within the cabinet itself in matters of research. For example, the act provides that in the event of an emergency there can be set up army, air force and naval ministers. If that is so the powers delegated to the minister would then be delegated to the new ministers. I think the minister is in a better position than anyone else to know the requirements of the services. The governor in council is a rather abstract thing in the mind of most of us, and this would presuppose that the government as a whole was responsible. I would rather have somebody in this house that I could see, some minister, whether it was army, navy or air or a joint ministerial post such as the present minister holds. There should be somebody coming into the house who was responsible for the appropriations being asked for, for the contracts being made and so on.

I think for the purposes of administration and clarity in the minds of hon. members the arrangement provided by this section is the best. The governor in council leaves nothing but a blank in my mind. There is nothing you can fasten to. The buck can be passed in nineteen different directions.

Take the matter of defence research. Atomic energy research is definitely defence reesarch, and will be for a long time. It will involve a lot of money. At the present time the Minister of Trade and Commerce is administering that particular research job. If it is continued as a matter of defence research I think that will have to be transferred to the Minister of National Defence to whom it rightly belongs. The same thing applies to the purchasing of stores and all that kind of thing. I notice there is a resolution on the order paper providing for powers to be given to the Minister of Trade and Commerce in this connection.

I am satisfied with the section as it is, and I say that with all due respect to my hon. friend. This indicates the flexibility of the C.C.F., how it is possible for us to have different problems. This may involve some shifts in the cabinet, but that would not be a bad thing.

Mr. Wright: I do not want the impression to go abroad that I think that every little piece of research should go to the governor in council, because that was not my intention. I was referring to major projects or the development of new weapons or new methods of warfare, which I consider are important enough to be dealt with by the governor in council rather than by the minister. I am sorry the hon. member for Cape Breton South thinks so little of our governor in

council. I think it is a pretty important body in our democratic procedure and it certainly has more responsibility to parliament than any single minister.

Section agreed to.

On section 55—*Expenses of the defence research board.*

Mr. Harkness: This section makes it possible to appoint persons to the board without reference to the civil service commission. Will these employees come under the benefits of superannuation, pension and everything else?

Mr. Claxton: They are appointed in the same way as civil servants, and the salaries are closely related. They have all the benefits of the Civil Service Superannuation Act.

Mr. Harkness: But all appointments can be made without reference to the civil service commission?

Mr. Claxton: That is right.

Mr. Harkness: That may be necessary as far as scientific and technical employees are concerned, but I cannot see the need for it in connection with cleaners, clerical workers and others.

Mr. Claxton: The provision is the same as that in connection with the national research council, with which we have close working relations. It permits of more flexibility in the carrying on of research work in isolated centres.

Mr. Graydon: What yardstick is used by the cabinet to decide whether appointments will be taken away from the civil service commission?

Mr. Claxton: The national research council and the defence research board are intended to co-operate closely with universities and industry and have close working relationships with them. As a matter of fact, they have salary scales that are worked out in conjunction with the universities and industry so as to arrive at a fair figure. I do not think there is much room for argument in the case of scientific and technical personnel, but in the case of others it has frequently been found that a stenographer may have some scientific training—I know of many in the service—and be more valuable because she is familiar with scientific terms or may be able to do a bit of research work herself. Such a girl does not fit exactly into the categories set up by the civil service commission. We think this works much better than it would if these people came under the civil service commission.

Section agreed to.

Section 56 as amended agreed to.

Section 57 agreed to.

On section 58—*No limitation.*

Mr. Smith (Calgary West): Is there anything in the act or the regulations to indicate where within Canada an offence shall be tried?

Mr. Claxton: Section 59, just over the page, reads:

> Every person alleged to have committed a service offence may be charged, dealt with and tried under the code of service discipline, either in Canada or out of Canada.

Mr. Smith (Calgary West): If an offence were committed in Alberta the offender could be tried in Ottawa?

Mr. Claxton: Yes.

Mr. Smith (Calgary West): Do you think that is advisable?

Mr. Claxton: Yes.

Section agreed to.

Sections 59 to 63 inclusive agreed to.

Sections 64 to 66 inclusive, as amended, agreed to.

Section 67 agreed to.

Section 68 as amended agreed to.

Sections 69 to 78 inclusive agreed to.

Section 79 as amended agreed to.

Sections 80 to 82 inclusive agreed to.

On section 83—*Scandalous conduct by officers.*

Mr. Smith (Calgary West): This section reads:

> Every officer who behaves in a scandalous manner unbecoming an officer is guilty of an offence . . .

I am asking whether or not that word "scandalous" has always been in the act?

Mr. Claxton: Yes, sir, that is in the existing naval service act, the army, and navy and air force acts.

Section agreed to.

Sections 84 to 87 inclusive agreed to.

On section 88—*Drunkenness.*

Mr. Smith (Calgary West): I should like to ask the minister if he is satisfied with this section which refers to drunkenness. The same language is used with respect to other offences. It says:

> Drunkenness, whether on duty or not on duty, is an offence and every person convicted thereof is liable to imprisonment for less than two years or to less punishment . . .

I am wondering about the use of the second word "less" in that line. A man could be convicted and sentenced to two years less one day. He could be sentenced to one day's imprisonment or one hour. Now, what is less than that? The point I am trying to make is this, and once more it is merely to ensure that these things shall be clear. Let us say a man receives one hour's imprisonment, and another man, for the same offence, might have his pay and allowances stopped for a month. Now, would anyone say that the second man's punishment, because he was not imprisoned, was less than the first man's? I merely thought, sir, that it might need some clarification. I know there are many punishments which may be meted out other than imprisonment, and I was wondering who would decide on what punishment would be less than two years or something of that sort.

Mr. Claxton: What is less than each superior punishment is set out in section 121, subsections 1 and 2. In subsection 1 there is an order of punishment running from paragraph (a), death, to paragraph (n), minor punishments. Each one of those, in order, is less than all those prior to it in the enumeration.

Mr. Smith (Calgary West): The word "less" is defined there.

Mr. Claxton: That is right.

Mr. Balcer: If this is the proper time, I should like to ask the minister whether his department is contemplating a change in the rum rationing to the navy, such as substituting beer for rum? Does the minister intend to apply rum rationing to the three services in a spirit of unification?

Mr. Claxton: This is a very complicated matter, and I do not want to say too much about it because I might get into some trouble. I will say that no immediate change is contemplated in the navy rum rationing. A man may take money, of course, in lieu of the rum ration.

Mr. Balcer: Has there been any change in substituting beer for rum in the navy?

Mr. Claxton: No.

Section agreed to.

Sections 89 to 165 inclusive agreed to.

On section 166—*Trial of issue of insanity.*

Mr. Smith (Calgary West): This section reads as follows:

> Where at any time after a trial by court martial commences and before the finding of the court martial is made, it appears that there is sufficient reason to doubt whether the accused person is then, on account of insanity, capable of conducting his defence, an issue shall be tried and decided by that court martial as to whether the accused person is or is not then, on account of insanity, unfit to stand or continue his trial.

The section states that whenever at any time, after a trial commences this appears, then the issue shall be tried. Is that just the usual criminal procedure, making a distinction between insanity at the time of the trial, which will affect the continuation of the trial, and insanity at the time the offence is committed? I gather that somewhere, perhaps subsequently, that other branch of it is taken care of.

Mr. Claxton: Yes, the hon. member's assumption is quite right. This section 166, subsection 1, is practically identical with section 967 of the Criminal Code, and is intended to perform the same function. Section 167 deals with a case where the accused was insane when the offence was committed.

Mr. Smith (Calgary West): As to the question of whether or not he is sane enough to stand his trial at the moment, are there any special provisions for the examination of witnesses? In other words, all military units have medical officers or M.O.'s, as I think they are called. Is there anything in the act with respect to the evidence necessary to come to that conclusion of insanity at the time of trial?

Mr. Claxton: The provision is exactly the same as in the Criminal Code.

Mr. Smith (Calgary West): It is just the same?

Mr. Claxton: Yes. It has to be tried as an issue. The usual practice of course is to have specialists in that kind of medicine give evidence in addition to the ordinary medical officers.

Mr. Smith (Calgary West): That, of course, is so. But I was asking if there is any special provision, for this reason. With regard to a man on an insanity plea—that would be at the time the offence was committed—our courts have said that there is no occasion whatever, and I mean that it is not a "must", to call expert or medical evidence with respect to the question. The English judges have gone so far as to say that if a man is crazy, to use their expression, no one knows it as well as his friends and neighbours, and that they rely greatly on conduct as observed by his friends and neighbours. What I have in mind is this. The other day we were discussing something in the house at the suggestion of the hon. member for Lanark. We put into the act—and I have just forgotten the name of the act which was under discussion—a provision that certain things might

happen on satisfactory evidence of insanity being given. Perhaps the minister may remember the incident. It took place only a few days ago in the house here. My memory is so bad that I cannot remember just what it was. In any event, the authorities have not seen fit to specify in any way the kind of evidence upon which you might act?

Mr. Claxton: No.

Mr. Smith (Calgary West): They have left it the same?

Mr. Claxton: Any evidence that may be relevant.

Section agreed to.

Sections 167 to 191 inclusive agreed to.

On section 192—*Substitution of new punishment where illegal punishment set aside.*

Mr. Smith (Calgary West): I just blew my nose, Mr. Chairman, and lost twelve sections. Is this the new appeal board that has been created?

Mr. Claxton: Yes, sir.

Section agreed to.

Sections 193 to 251 inclusive agreed to.

Bill reported.

Mr. Claxton moved the third reading of the bill.

He said: I should like to express to hon. members what I think everyone must feel, and that is appreciation of their co-operation. I should also like to acknowledge the fair and appreciative remarks made by hon. members with regard to the officers of the services, and I am sure they will include the officers of the Department of Justice also who, as I think all hon. members will agree, have done a really great work in preparing this monumental piece of legislation. I shall be glad indeed to convey to these officers the messages of appreciation that hon. members have voiced, and to add my own on this occasion as on others. In addition, I should once more like to thank the members of the committee, and particularly the chairman, for the excellent job they did in preparing the bill for our consideration which, I think, was probably record-breaking in view of the fact that we have been one hour and five minutes on the 251 sections.

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

Indian Act

INDIAN ACT

CONSOLIDATION AND CLARIFICATION—BAND FUNDS AND EXPENDITURES, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend, consolidate and clarify the Indian Act, and to provide, *inter alia*, for band funds and expenditures therefrom, and for other appropriations in case of deficiency or lack of band funds.

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

The Chairman: Shall the resolution carry?

Mr. Low: Is the minister not going to make a statement?

Mr. Harris: The only statement that I think I should make at this stage is to say that I think all parties in the house agree that it is expedient to introduce a bill to amend, consolidate and clarify the Indian Act.

Mr. Harkness: There is a great desire on the part of the Indians and many other people interested in them to have this act come out so that people can take a look at it, and so forth. In view of that fact, I should not like to delay the appearance of the act by making any remarks on the matter this afternoon, except to say that I am extremely glad that after this long period of time the act is finally going to come out and get consideration here.

Mr. Blackmore: I have no desire to delay the passage of the resolution but I hope that the bill, when it comes down, will make some provision for two or three things which I consider to be paramount essentials in any attempt to deal with the Indian situation as it exists in Canada today.

In the first place there should be an Indian claims commission. If the bill does not provide for such a claims commission then it will be defective to that extent. In various parts of Canada Indians have experienced some of the grossest injustices by reason of the fact that conditions since the signing of their treaty have changed so materially that they do not at all resemble what they were like in former days. May I illustrate. Suppose an Indian tribe had free access to fishing on a great river which teemed with fish at the time they signed their treaty. At that time it was recognized that they would have free access to the fish in that river and no particular stipulation was made concerning their having perpetual access to the fish; but meanwhile the fishing at the mouth of that river has been commercialized, as it has within the Fraser river. The result is the

Indians find that when they go to the river to get their annual supply of fish, the fish do not appear in the river. Clearly something has happened as a result of the white man's management of that river which has changed the conditions of life for the Indians beyond all possible estimation.

If something has not been done by His Majesty's government to recompense the Indians for the losses which they have sustained by reason of this commercializing of the fishing in that river then the Indians are suffering from a handicap which is very painful indeed, and can be ruinous. They have a claim against the government which ought to be investigated, and in consideration of which they should be compensated.

Conditions similar to that prevail in respect of, I would imagine, 60 per cent of the tribes throughout this country. In the reservation which I myself have the honour to represent, for example, when they signed their treaty in 1877—I believe it was treaty 7—it did not seem possible within the time that one could imagine that there ever would be a period when the Indians would not have limitless grazing land for their ponies and for their cattle. There were no fences in any direction; there was no settlement in any direction in the province of Alberta in 1877 where the Blood reservation now is.

The result was the Indians had limitless pasture. They could get all the wood they needed for their fires. There is not a plentiful supply of wood in that area, but there was enough for the Indians; where they could not get this wood from stream beds, rivers and creeks, they could go to the mountains. Now, what has happened? Mountain reserves have been made parts of forest reserves and parks, and the Indians have been fenced in in reserves so that they cannot get wood at all to supply their needs. A set of conditions has been built up as a result of that alone which has inflicted upon these Indians losses of tremendous extent. If we allow them to go on suffering from these disadvantages, without making any compensation or any investigation into the nature of their disabilities, we surely are not making for success in advancing our Indians.

Therefore I suggest there must be a claims commission similar to the one set up in the United States. If that claims commission is not provided for in the bill coming down, or in some bill soon to come down, I suggest to the minister in all earnestness, as one sincere Canadian to another, that he must look into that matter without any further delay.

There is another matter which I think must be talked about, namely, the matter of education. I am sure the minister has had much representation brought to his attention about Indian education. If the bill provides—

Mr. Harris (Grey-Bruce): I do not want to interrupt the hon. member, but the estimates of my department on Indian affairs have not yet been discussed. I wonder whether the hon. member would discuss education when they come up either later this week, or early next week. I realize that he wants to make a point that we should provide for the education of Indians, but I think that when he sees the bill he will find that it does that.

Mr. Blackmore: Very well, but it would not do any harm to outline it in a few minutes. I do not propose to talk very long, but I do wish to say just a word or two about the situation in respect of the Indians. I believe in preparing the minister for what I may or may not say in discussing the estimates, but it will do no harm to mention this question of education. We know very well that in a number of ways education on the Indian reservations has been taken care of largely by religious organizations. I have no complaint against religious organizations as such, but there are Indians who do not desire to have their children attend religious institutions in order to obtain education. On the reserve which I have the honour to represent there are two splendid schools, one Roman Catholic and the other Anglican. I believe they have been managed with the utmost proficiency in so far as the people controlling them have access to facilities; but there are many Indians on that reservation who do not desire that their children shall be under the religious influence of either of those organizations. And as Canadian citizens they surely have the right to have their children educated in a non-sectarian or secular school. Up to the present time there is no provision by which they can obtain that. That is a serious matter.

I wish to say only a word or two about it If we are going to prepare the Indians to be the citizens of tomorrow in Canada, along with our own boys and girls, we simply must be positively sure that we are making full provision for the adequate education of the Indian boys and girls. That is the second point.

This is the third point, and I hope it is in the bill. We must make provision without further delay for adequate nutrition among the Indians on the reservations. This more properly comes under the direction of the Minister of National Health and Welfare. I am sure that he is giving it careful attention, but at the same time if the two fine young ministers co-operate and have the full support of the house and of the government on this program they will not have any more

than just barely enough support to enable them to discharge the responsibilities they assumed when they undertook to see that the Indians of Canada shall be properly nourished. If the Indians are not properly nourished then they develop all sorts of deficiencies. Men now are nutrition conscious. We all know how important it is that we should be well nourished. What chance has the ordinary Indian to be well nourished when it is almost impossible for him to obtain enough food in Canada to keep body and soul together? The result of all this is that a very carefully designed provision must be made as to nutrition if the Indians of tomorrow are to be able to discharge their responsibilities as citizens.

Such measures as old age pensions, and all that sort of thing, should be provided the Indians. Some sort of provision must be made for adequate nutrition.

I have just one more thing to say. I trust that this bill is making provision for what might be called the rehabilitation and establishment of the Indians economically. We are having a hard enough time in our generation, we, the ordinary ones of us. We find it hard enough to fit into the life around us and to make a living; yet we have been admirably prepared as compared with the preparation given to the Indian. We are admirably equipped in both body and mind, as compared with the Indian who has been undernourished all his life. What chance has an Indian when we find it difficult to compete? What chance has he to compete and establish himself so that he can make adequate provision for his family?

I do not propose to go into the details of this matter, but we must take it into consideration and we must have results right away so that the Indians can establish themselves economically, so that they can use their reserves to the best advantage, and take part in the economic life of the community surrounding their reserves.

I trust that these provisions may be made in the act. I shall watch with great care to see whether they are or not; and if they are not, then the minister must naturally expect to give an accounting to me when he brings his estimates before us.

Mr. Diefenbaker: I do not propose to discuss the resolution for the simple reason that it gives no indication as to the nature of the bill to be introduced to amend the Indian Act. However I should like to make two suggestions to the minister.

Certainly nothing more important than these amendments to the Indian Act could have been introduced to the House of Commons, affecting as they do the rights, opportunities and privileges of the Indian population in our country. The minister will know, as I do, having on a number of occasions acted as counsel for the Indians—believing that one should assist them at all times, and doing it in a spirit of assistance and for no other consideration—that the Indians as a whole are suspicious of any legislation that will be introduced without their receiving at least an opportunity to examine, consider and recommend.

My suggestions to the minister are made with a view to removing many of the objections now being voiced in the Indian reserves across the country. These are objections in the nature of fear that full consideration of their hopes and aspirations will not be reflected in the legislation to be introduced. They have the fear that in too many cases the recommendations and suggestions will be the result of consideration by Indian agents and the officials rather than by the body of Indians as a whole.

After all, the Indian Act has been on the statute books for about seventy years, and it does require revamping, changing, and the removal of obsolete sections and sections which have no regard for present-day world conditions, sections which do not recognize what the Indian says is the right of all people today who during the years have been wards of the government. They say they have the right to a degree of self-determination which through the years they have been denied.

In that spirit I place these two suggestions before the minister, and I do so after having met with many of the Indian chieftains in western Canada, and also with the outstanding leaders of the Indians on the prairies. My first suggestion is that as soon as this resolution is passed by the House of Commons the bill should be printed, and that it should be distributed not only to Indian agents and Indian officials but also to the Indian chieftains and head men in the various reserves across the country. If the minister goes no further than to distribute copies to the officials, then in my submission he will not be removing one strong ground for objection which has found its way into the minds of many of the young Indians who today are asking for full consideration of their rights, and an opportunity to achieve their ambition and aspirations.

When I say that, I mean that all they need is opportunity. I could point to one family that appeared as delegates at a meeting of the Saskatchewan Indians held at Saskatoon some weeks go. One of these Indians named Eli Wuttunee—and I give his name because I think it should be given—pointed out what happened in his own family when a brother of his decided that in order to give his sons and daughters an opportunity for education,

improvement and advancement he must voluntarily withdraw from the reservation. This shows what can be done if opportunity for education is given to our Indian population. In that family William Wuttunee is today a law student at McGill university; one of his sisters studied nursing until ill health prevented her continuing; another sister is in Prince Albert studying to become a psychiatric nurse.

All they ask is to be given the opportunity which too often is denied on the reservation. Therefore I ask the minister to send this bill out—broadcast it; print a few extra copies, and send them out to representative Indians, in addition to those copies sent through the regular channels of Indian Act administration.

My second suggestion is one I had made previously and which I reiterate. In the building and restoration of a new concept of dealing with the Indians, give them an opportunity to be builders. Give the leaders among the various tribes, the chieftains or whoever may be chosen in a democratic way among the tribes, an opportunity to come to Ottawa to meet with the minister and to discuss the bill. He may answer that the expense of bringing fifteen or twenty Indians to Ottawa would be heavy, and that the same result would be achieved if they were permitted to meet with Indian agents and officials. My answer is that the same results would not be achieved, because the presence of the Indian agent or official in its very essence has a coercive influence upon the Indians under his control and jurisdiction.

Since I first made the suggestion in the house I have seen a number of these Indian chiefs, and they have repeated their desire, their wish and their hope that the minister will give them an opportunity to deal directly with him, so that anything they may advance by way of amendments to the act and criticism of some of the officials will not have any detrimental effect so far as they are concerned. In other words, what they ask for is an opportunity to meet the minister, who represents to them what they so frequently refer to as the benevolence of the queen. They refer to Queen Victoria as though she were living today. Two of these Indian chiefs, both grandsons of the chieftains who signed the treaties in 1830 and sons of the chieftains who signed the treaty in 1873 that ceded the western plains to the British crown and to Canada, have asked that they be given the opportunity they used to have to come to the foot of the throne and discuss their complaints with the minister himself. After all, we have a responsibility to these humble people, and if he will do that he will receive from them a wealth of suggestions and that wisdom, evidenced by them when they discuss their affairs, which will go far to remove many of the causes of complaint that today activate and arouse the younger members of the various reservations.

Mr. Coldwell: I am sorry that the standing committee on agriculture is sitting this afternoon and that many hon. members who have taken an interest in this particular problem are otherwise engaged. I am thinking particularly of the hon. member for Selkirk (Mr. Bryce) who during the last parliament was most interested and active in endeavouring to improve the conditions of the Indians and to see written into our statute books an act which would assist us in helping the Indians to find their proper place in Canadian life. When we review the history of our country we realize how originally Indian lands have been taken away from them from time to time until today there are really insufficient means on some reservations to provide a decent living for many Indian tribes. Consequently we should realize that we owe a debt to them which we have so far failed to honour, a debt which should impel us to write a new Indian Act that will give the Indians an opportunity of becoming a part of our national life in every sense of the word.

The hon. member for Lake Centre made a reasonable plea for the circulation of the new Indian Act to the heads of the various tribes. He also made a plea that the minister should receive representations regarding the provisions of the act from leading Indians in the country. I have a great deal of sympathy with that suggestion, but at the same time I recollect that when the Indian affairs committee sat opportunities were provided for leading Indians to appear before it, and it was very difficult to get a consensus from those who took advantage of the opportunity. If this suggestion is put into effect I hope it will meet with better results than the committee was able to achieve when they invited representative Indians to appear before them during the last parliament.

I cannot see why Indian youth should not receive exactly the same opportunities for education and advancement as are available to our own children. As a matter of fact, when we look at the aborigines of New Zealand—and we call the original inhabitants of any country aborigines—and compare the Indian with the Maori we must feel that there is something wrong with the manner in which we have handled the Indian problem in Canada. As the hon. member for Lake Centre pointed out a few moments ago, given the opportunity Indian youth will achieve

the same standards of education as Anglo-Saxon children acquire. They have not had that opportunity. I have visited reserves at various times, and engaged as I was in education some years ago I visited some of the schools on the reservations. When I looked over the work of the children from six to ten years of age I found that it compared quite favourably with that of children of the same age and in the same grades in the ordinary rural schools of Canada. Beyond that age, no attempt was made to get the children to remain continuously in school when the berry picking season was on, or the fishing season on the Pacific coast, and bit by bit they seemed to slip behind and later returned to a primitive mode of life.

I am of the opinion that when the new act is introduced it should be carefully scrutinized by the house from the point of view of the means we are going to provide for the better education of the Indian. I think that is the fundamental consideration we should have in mind. I do not believe that the educational system or systems that have been in effect on Indian reserves have been either suitable to modern needs or efficient. I should like to see Indian schools placed on the same level of educational requirement as the ordinary common schools in the provinces where Indian reserves exist. They should be placed under the same system of inspection with the same high qualifications for teachers engaged in educational work. I think that is fundamental. I know that there are those who emphasize the sectarian or non-sectarian aspect of the problem, but I do not wish to do that. I think a plan can be worked out which will be satisfactory to those who have been and are truly interested in the welfare and education of the Indian population, and who desire to see some better form of educational facilities provided than has been the case in the past. I say that a fundamental requirement is the reorganization and improvement of educational facilities for Indian children.

Given opportunities comparable to those provided for Anglo-Saxon or white citizens, whichever term you care to use, you will find that Indian youth will acquire just as good an educational standing as their white brethren. I am most anxious that this aspect of the proposals to be introduced by the minister shall receive the most careful and sympathetic consideration of the house.

I want to compliment the Minister of National Health and Welfare upon the fact that much has been done in the last few years to improve the health facilities on the Indian reserves and among the Indian population in our Northwest Territories and other places. But a great deal remains to be done. Living on the outskirts of civilization as they do, with uncertain means of life at their disposal, makes it necessary that we take steps to improve their economic condition and to see that adequate supplies are available. After all, the basis of good health and good physical condition is an adequate and proper food supply.

Hospitals are being provided and examinations for tuberculosis have been undertaken. I hope that the scourge of tuberculosis among Indian tribes will soon be stamped out. I have not seen the more recent statistics, but I was shocked at the statistics published a few years ago with regard to tuberculosis among the Indians and the northern residents of Canada. I welcome this particular piece of legislation and I hope that when the bill is before us we shall find in it all that we hope for.

I want to say something that I might not be able to say on the estimates because with so many committees sitting one cannot always be here when the proper item comes up. In my own province of Saskatchewan, and I imagine this is true of other provinces, considerable difficulty is encountered in connection with roads through the Indian reserves. I know that the government of Saskatchewan does not expect the federal authorities to do anything about provincial highways that happen to pass through Indian reserves, but we must remember that many cross-country roads are municipal roads. While it is true to say that the road allowance is part of the Indian property and has been turned over to the municipality or the province for the purposes of communication, it is equally true to say that the maintenance of these roads constitutes a considerable drain on some of the municipalities.

When the minister is considering his estimates—that is when this matter should really be considered—I ask him to consider the payment to the municipalities of something toward at least the maintenance of these roads. In some parts of Saskatchewan the Indian population use the roads for marketing purposes and I am glad to say that some of them have automobiles. Consequently communication across the reserve is as vital to the Indians as it is to the municipalities and the people of the province who live off the reserve.

I do not want to delay the passage of this resolution but I did want to let the minister know that anything he can do to improve the condition of the Indian population, to improve educational facilities, on the reserves particularly, to assist also their economic circumstances and, in co-operation with the

Minister of National Health and Welfare, to improve health facilities and general conditions in regard to health of the Indian population will receive the unqualified support, not only of myself and my colleagues but of the political movement which we represent in this house.

Mr. Applewhaite: Mr. Chairman, it is hardly necessary to say that I welcome this resolution. There are many things in connection with the Indians I should like to discuss and there are many subjects on which the Indians would like to make representations to this government and to this parliament, and I suggest that the most efficient way to handle this matter would be to have the bill introduced and then we and the Indians could use it as a form of agenda or guide as to what should be done. If the Indians have an opportunity to consider this bill I am sure they will want to make representations, both on the omissions and on what is contained therein. I not only welcome the speedy introduction of the bill but I should like to see it widely distributed so that the Indians may know what it contains. If that were done both this house and the Indians would be saved the necessity of skipping around and discussing all facets of the Indian question instead of only those which in our opinion need consideration.

Resolution reported, read the second time and concurred in.

Mr. Harris (Grey-Bruce) thereupon moved for leave to introduce Bill No. 267, respecting Indians.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF VETERANS AFFAIRS

Soldier Settlement and Veterans Land Act—

547. To provide for the cost of administration of Veterans Land Act; soldier settlement and British family settlement, $4,563,514.

Mr. Hansell: The minister will recall that I asked some questions last night with regard to the veteran who had not served overseas, who was not pensionable or who had not served for 365 days and was thus unable to come under the provisions of the statute in order to obtain a loan. I have to be satisfied with his answer and I am not going to be over-critical, but I should like to ask him two additional questions. The first is: has he any idea how many veterans have applied and have been refused by reason of the fact that they did not come under this particular section of the act? My second question is perhaps predicated on the probable answer to the first one. If there are not very many veterans who have been refused, would it not be possible to bring in an amendment to the act so that the veterans might be able to receive the benefit of these loans?

Mr. Gregg: Mr. Chairman, we have no record, exact or otherwise, as to the number of applications that have been made. If we had the number, I do not think it would answer my friend's question, because a great deal of publicity was given to the fact that a veteran had to have one year's service in order to qualify. Consequently, quite a number who would have liked to apply did not apply because they knew that. From the records a general estimate could probably be obtained as to the number of service people who had served less than a year. Those are the ones who are not permitted to come under this provision. I believe the number might be larger than the hon. member expects, but I shall try to get it for him.

Mr. Fulton: Mr. Chairman, the main concern of a general nature which I have in connection with the Veterans Land Act is still a concern over the limitation in the size of the small holding. It is still too large for many veterans to take advantage of the act. I refer specifically to the limitation which says that a small holding must be a minimum of three acres unless the value of the land is more than $500, in which case the small holding may be 2.1 acres, I believe, if recommended by the administration. I realize that the purpose of the small holding scheme was not to allow the veteran to have a country home. I know that is the reason for the limitation as to the size of the holding. It is designed to assure that a veteran who is settling on a small holding will genuinely be engaged in at least part-time farming.

I know that the administration makes every effort, where a veteran genuinely desires to settle on a small holding, to interpret the regulations in such a way as to assist him. I know the mere fact that there is a statute, and regulations made under it, sometimes precludes the department from helping deserving cases. The fact is well known, Mr. Chairman, that land values, particularly in and around settled municipalities, are not going down but are continuing to rise. The result is that in many cases the cost of three acres, or even 2.1 acres, of land is much in excess of the maximum assistance available under the act, that is $6,000. This means that the veteran has to put up the money over and above this $6,000.

Take the type of small holding around a municipality where a veteran would be

expected perhaps to engage in part-time orchard operations or a berry farm, something of that nature: three acres is actually too much for a veteran who has another job, such as working on the railway. Three acres is too much for him to handle on a part-time basis. On the other hand, three acres is too little for a veteran to make a living from it on a full-time basis. It seems to me the limitation on the size of the holding is, in effect, defeating the initial purpose of the act when it was introduced, which was not to ensure that veterans got country homes but that they got places upon which they could carry on part-time farming. The size of the holding he must have now makes it impossible for him, in many cases, to do that. I am not going to make reference to a specific request which I forwarded to the minister involving some veterans working for the Canadian National near Kamloops, because that is being considered at the moment. I bring forward this general consideration, because I think it is important that the act be reviewed to see whether that limitation as to size cannot be eliminated.

While I am not one who generally approves of leaving things to the discretion of the minister, I think this is a case where, if the limitation is insisted upon, the only proper solution is to leave it entirely to the discretion of the minister. The act should merely provide that, in approving a scheme for settlement or an individual application for settlement, it must be borne in mind that approval will only be given if it is for bona fide small holding operations. By removing that figure of so many acres from the regulations, then genuine cases, which at the present time cannot be helped, could be helped.

Mr. Gregg: Mr. Chairman, I am sure the hon. member has expressed very well an opinion which is held on all sides of this house. This subject has been fully discussed in my department. The hon. member makes some important points. I would, however, like to mention that the idea behind the small holding of two to three acres is finding expression this last year more fully than it did at the beginning. Early after demobilization there was an urgent need for a roof over the veteran's head. All hon. members will recall that before my time, 1946, there was a period when the subdivision came into being for that specific purpose, and to utilize half-acre patches of land. The subdivisions were built, and after a year that practice was discontinued and we went back to the original intention.

This year the applications for small holdings are greater than they were immediately after demobilization. It appears as though the interest is going to continue. I do not give that as an answer to the suggestion made by my hon. friend, but I do say that the intention behind that section of the act is being carried out. To put it plainly, that intention was to bonus the veteran to get out of the big cities, and to establish outside the large cities a new, pleasant way of life. After the war, when wages were high, that extra patch of land was looked upon as waste. I can tell my hon. friend that in the last year, when there have been sections of approaching unemployment down in my part of the country and in other parts of the country, the lad who had that patch of land was beginning to look upon it with a good deal more pleasure and satisfaction than he did before. If we do run into a recession in sections of Canada, I believe these men will be glad they have this land. That is that. I am going to add to that the statement that my colleague the Minister of Resources and Development under the bill which passed last year, in association with the provinces, is getting his plans under way. There comes up under that the question of what degree of veterans preference there will be in it. His officials and my officials, and he and I, have had a good deal of discussion on this matter. The director, supervisors and field men of V.L.A. have been carrying out winter courses for great numbers of veterans in the building of houses and acting as their own contractors. We have discussed whether we might not capitalize on that work as an auxiliary both to his scheme and to our own.

As is known we hold—it is in the estimates here and we have to pay taxes on it—patches of land, near centres of population across Canada, areas which have not been developed. It is just lying there as an asset of the crown. Some of these the Central Mortgage and Housing Corporation could use and arrangements have been so made. Some of them have been taken into expanding cities but we have quite a number of others. I do not want to make this announcement yet, but I want to state that we are seeing if we cannot find out whether V.L.A. could assist, guide and direct the veteran in the construction—rolling his own, as the lads call it—buying a patch of that ground of an appropriate size but not getting the conditional grant at the end of ten years, and then under an arrangement with the National Housing Act administration getting his loan. If he can do that on these pieces of property that we own, it might lend itself to help to solve the problem which I know is in my hon. friend's mind as it is in mine. In a small town such as Campbellton, New Brunswick, which will never enter into an arrangement

with the province of New Brunswick and the Dominion of Canada under the Central Mortgage and Housing Corporation plan, an individual veteran or two or three veterans might be able to utilize the value under the Veterans Land Act and also the value under the National Housing Act. That might also be a means of assisting to solve the problem of what degree of veteran preference could come under the act of the Minister of Resources and Development.

Mr. Fulton: I appreciate the fact that the minister, in what he has just told us, is revealing something which is under consideration and which is not final. I will therefore not press him to go further into details, except to ask whether that arrangement which he indicated or hinted at would not be subject to the limitation as to the size of the land to which the present small holding scheme is subject. Could a veteran take a piece of land of any size that he himself wished?

Mr. Gregg: That is what we are attempting to work out.

Mr. Fulton: I am glad to have that information. I hope that the arrangements which the minister has in mind will come to fruition because, if I may say so, it sounds to me like a good scheme and the answer to a great many problems.

I just want to say this in addition. I fully agree with the minister that the land under the small holdings scheme is valuable now and will be increasingly valuable as conditions develop; we hope they will never become serious but nevertheless they may become more serious than they are now. My suggestion was not that the small holdings scheme should not be directed toward encouraging veterans to settle on and to work a small plot of land. My thought was rather that of the types of land which so many of these schemes must use, types suitable mainly for fruit farming, the growing of small fruits, berries and so on, three acres is actually too much for a man to handle on a part-time basis.

If he were unemployed—and we hope he never will be—then admittedly it would not be too much. But as long as he is employed or if he is, on the other hand, in the other category that this scheme was designed to help, namely a veteran in receipt of a disability pension, again three acres is probably too much for him to handle. That is why I say: Do not do away with the idea of a small holding for a genuine part-time farming operation. Merely give your directors and regional supervisors more discretion to recommend that in this case, because it is an orchard operation, because it is a berry farm or because the price of the land is extremely high, we think that this veteran should be allowed to settle on perhaps one and a half acres or two acres or 1·9 acres. That was my only suggestion.

May I now ask some specific questions with regard to the expenditure. Can the minister tell us what was actually expended last year on travelling expenses, on purchase and replacements of motor vehicles and on legal fees?

Mr. Gregg: Travelling expenses, $574,340; legal fees, $124,116. What was the third one?

Mr. Fulton: Purchases and replacements of motor vehicles.

Mr. Gregg: $29,689.

Mr. Fulton: Why are the legal fees continuing at such a high level? I know that when a veteran purchases privately under his own arrangements with the administration he is obliged to pay the legal fees for perfecting his title. I can appreciate the fact that, when the scheme was first being worked out and the department was buying tracts of land to be open to development, there would probably be extensive legal fees in connection with the searching and the conveyancing. But by this time I would think that those fees would be rather tapering off and that from now on it would be more a matter of the individual deal. That being the case, I am not quite able to understand why these extremely high legal fees are continuing to be necessary.

Mr. Gregg: There has to be payment to the lawyers for the searching of titles. We are fairly well at their mercy. While it is true that some of these properties were purchased some years ago, nevertheless, when the new veteran takes over, the title has to be searched in each individual case and registered.

Mr. Fulton: Does the minister not think that possibly he is overestimating a little bit? I notice that in 1948-49 the estimate for legal fees was $250,000 and the actual expenditure was $129,000, or just over half. I notice also that in 1948-49 the estimate for motor vehicle purchases and replacements was $125,000 and the expenditure was $19,778. Last year the estimate under that heading was $35,000 and the expenditure was $29,000. Does the minister not think that we could perhaps reduce the estimate a little bit under these headings?

Mr. Gregg: With regard to the legal fees, in 1949-50 the estimate was $125,000. Our estimate for this present year is $100,000. What I said with regard to the small holdings

also holds good with regard to full-time farming and commercial fishing. The demand for properties there is on the up and up. It is not declining as are university training and vocational training. Of course that applies also to the necessity for supervision and transportation, travelling, and motor cars.

Mr. Cardiff: I have a few questions in regard to small holdings. I understood there was some change since the act came into force as to the amount of land that a man had to have to come under the regulation. Is it still three acres, or can he come under the act with a lesser amount?

Mr. Gregg: I wonder whether my hon. friend was in when the hon. member for Kamloops and I discussed this at length a little while ago. It is now exactly as it has been since 1946, namely, two or three acres, unless the man is a pensioner, depending upon the value of the land in the vicinity; but we are exploring plans, which my hon. friend will see in *Hansard,* which we discussed about a half hour ago.

Item agreed to.

548. To provide for the upkeep of property, Veterans Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $132,500.

Mr. Blackmore: Before the item carries I want to say to the minister that I did not expect he would make as much progress last evening with his estimates as he did. I wanted to have something more to say about the McCann commission on one of these items. It became necessary for me to be out of the house. Since these items have passed I shall have to defer to a later time my remarks concerning the McCann commission.

Item agreed to.

551. To provide for the payment of grants to Indian veterans settled on Indian reserve lands under section 35A of the Veterans Land Act, 1942 (as amended by order in council P.C. 2122, dated 13th April, 1945), $500,000.

Mr. Harkness: Can the minister tell us what success has been secured up to date in the settlement of Indians on their own reserves under the Veterans Land Act? I see that there was a vote of $600,000 for this purpose last year. Was that expended, or to what extent was it expended? How much was put out in the form of grants last year for this purpose?

Mr. Gregg: Last year $479,838 was spent.

Mr. Harkness: Can the minister tell us how many Indians have been settled up to date under the Veterans Land Act under this provision?

Mr. Gregg: The number to date is just a bit over a thousand, about 1,012.

Mr. Harkness: Up to date have any of these people failed on their holdings, whether they be small holdings or more or less full-scale farming, or have they been coming along fairly successfully?

Mr. Gregg: That comes under the Minister of Citizenship and Immigration.

Mr. Harris (Grey-Bruce): I shall be glad to answer that question on my estimates.

Item agreed to.

553. To authorize and provide for necessary remedial work, to be approved by the governor in council, on properties sold under the Veterans Land Act, under individual firm price contracts, to correct defects for which neither the veteran nor the contractor can be held financially responsible, $30,000.

Mr. White (Hastings-Peterborough): I should like to ask the minister a question about items 553 and 554, which more or less come together. Does item 554 refer to the development at Windsor? If so, will the minister tell the committee how much has been paid to date in repairing these properties and what legal action, if any, his department took to recover any part of the money from the contractor?

Mr. Gregg: No, Mr. Chairman, neither of these estimates has moneys earmarked for the subdivision at Windsor. I believe that that is history. We have attempted and we did carry out in the last two years a good deal of remedial work in that subdivision. I have not before me just now the amount of money involved, but I do know that the results of the work were reasonably successful and that the subdivision is now going forward quite satisfactorily. These items before us—for instance, item 553—are for a few remaining places about which we have to do something. They are to repair the roofs on 14 Faircraft houses, $2,500; to demolish and replace the foundation walls, footings and basement floors in 6 houses in Vernon, British Columbia, $12,000; to provide drainage ditch at Baie d' Urfe, province of Quebec, $2,000; to provide for contingencies. On the basis of past and the current year's experience, the director will be unable to escape accepting certain liabilities to remedy defects where the contractor cannot be held legally responsible or where he will not be financially capable of making repairs, $13,500.

Mr. White (Hastings-Peterborough): With regard to the item of $104,000, and dealing

strictly with the situation at Windsor, was there any legal claim against the contractor for the several hundred thousand dollars that the department had to expend to repair these houses?

Mr. Gregg: No; a settlement was arrived at. It was felt that there was no legal claim that could be carried through, and it was settled.

Mr. White (Hastings-Peterborough): How much longer does the minister think he will be spending over $100,000 a year to repair and keep these houses in shape?

Mr. Gregg: I do not want to make any prophecies but I will express the pious hope that it will not be much longer. One reason why I am certain that it will not apply to the main number of the new houses that are being built is the plan that is being adopted. When the veteran builds his own house it is a much better house in reality, and particularly in his opinion, than one that the contractor builds for him.

Mr. Fraser: The minister mentioned the Faircraft houses. Are they all repaired now and settlements made on them?

Mr. Gregg: They will be when this—

Mr. Fraser: There were 35 houses altogether, were there not, or was it more than that?

Mr. Gregg: About 35, as I remember. This is to repair the roofs on a few of them.

Mr. Fraser: I understood that there was to be a settlement. What was the average settlement made on those where the veterans repaired them themselves?

Mr. Gregg: I will get that for my hon. friend. It was worked out satisfactorily.

Mr. Fulton: What is the relationship between these two items, Mr. Chairman, and the write-down of the selling price which was authorized, I think, in 1948-49 and 1949-50 as well? Were these houses in which the price was written down also subject to repair under this vote? If so, what is the total that has been expended to date under the two headings?

Mr. Gregg: These are not related to that. That was a different job by itself. But I may tell my hon. friend that in round figures the total of write-down and remedial work will be, with these two smaller items, in the vicinity of $3 million.

Mr. Fulton: Has anything been recovered from any of the contractors in respect of those repairs?

Mr. Gregg: Recoveries have been made in some cases by settlement, and there are still some holdbacks on some of the contracts.

[Mr. White (Hastings-Peterborough).]

Mr. Fulton: Has the minister the total of recoveries to date from contractors?

Mr. Gregg: I have not got it today. I shall try to get it for the hon. member.

Item agreed to.

Terminable services—

555. Post discharge rehabilitation benefits including out of work allowances, university and vocational training, including the training of merchant seamen and salt water fishermen pensioners, awaiting returns allowances, temporarily incapacitated allowances and unemployment insurance contributions, $14,045,500.

Mr. Gregg: Mr. Chairman, I should like to speak briefly on this item, even at the risk of delaying the passage of my estimates. However, this vote from now on will decrease rapidly; before many years it will disappear altogether.

First I wish to express the federal government's appreciation of the cordial and capable co-operation of all provincial governments in the tremendous vocational training effort for veterans during the past six years. This has been a great example of effective teamwork between the two federal departments of Labour and Veterans Affairs, and the appropriate departments within all provincial governments.

Before the effort is over something approaching 100,000 young men and women will have gained special skills through this vocational training. As far as can be observed, so far the results of that training have been effective in bringing the veterans into working skills in every phase of our economic life.

And so within a year of our Canadian history which, I hope, will be marked by wider dominion-provincial co-operation, I point to this effort as a shining proof that it does work.

The other special point I wish to make is related to the other wing of our veteran training program, namely the university training effort. I do not think it is widely realized how great was the task that loomed up before all our Canadian universities in 1945, as demobilization got under way. Within a period of twelve months some had to double or triple their accommodation. But the universities turned the approaching task and the apparently impossible problem into a great opportunity.

The way they entered upon that opportunity is now becoming a matter of history. It is a magnificent period of achievement in the history of all of the universities, and it will enrich their traditions and experience in such a way that it will be reflected down through the years ahead.

In all the relations between the university authorities and the officials of my department the highest degree of cordial good will and devoted effort has been shown. I wish to thank the universities for their part in the rehabilitation effort, which has helped to make much more than a mere re-establishment job, but rather a rich investment for Canada.

Finally, all these efforts would have been futile, if it had not been for the determination of the veterans themselves to take advantage of the opportunity presented. It is not my intention at this time to enlarge upon that, because it has been said many times, and well said. From my files I could produce many personal letters from veterans who finished their training and who are on their way. They have written to express their thanks to the government and to the people of Canada for giving them their chance.

As the campuses teemed with veterans, there existed within the universities veteran-student organizations. They had a national body which they called the national council of student veterans. This last year a young man named J. Peter Kohl was president of that body, and I should like to read to the house a letter which he asked me to present on behalf of his organization. The letter is as follows:

Hon. Milton F. Gregg,
Minister of Veterans Affairs,
Ottawa, Canada.

Dear Mr. Gregg:

The national council of student veterans is in the process of disbanding. Before its final dissolution, the council wishes to express the appreciation of Canada's veterans for the educational opportunities provided under the Veterans Rehabilitation Act.

The commendable foresight of the Canadian government in providing such an excellent university training program has proved, and will continue to prove, of inestimable value to our nation.

The council extends its warm thanks to you and your colleagues in the Department of Veterans Affairs. Your sincere efforts and spirit of co-operation have contributed to a great extent to the success of the program.

And this is the important part of the letter:

The student veterans of Canada are sincerely grateful to the people of Canada for their sympathetic and generous support of the rehabilitation scheme.

I would appreciate your conveying these sentiments to all those concerned.

Yours very truly,

J. Peter Kohl,

Past President, National Council of Student Veterans

Mr. Drew: Mr. Chairman, it is most appropriate that the minister should have referred to the extremely satisfactory results of the courses given to veterans both in rehabilitation and in technical training at the university level. Those arrangements which were carried on between the dominion government and the department of education in each of the provinces do present a most striking example of what can be done when a spirit of co-operation is demonstrated, as it was in that case.

Actually, for strictly departmental reasons within the dominion government, the agreements were between the Department of Labour and the provincial departments of education. The Department of Veterans Affairs provided the very necessary payments that went to the student veterans, and of course co-operated in respect of the details of the courses.

One point however which I suggest might well be borne in mind in connection with this extremely interesting period, when many universities had their enrolments increased to two or three times what they had been before the war, is that while the arrangements were made to give training specially suited to veterans with some years of overseas experience, it definitely advanced the whole knowledge of education in this country. In discussing this matter I suggest it is appropriate to mention the fact that in these courses which were given in the training centres for veterans who were studying for matriculation, arrangements were made whereby the ordinary, rigid, annual examination period was changed, and veterans could proceed as rapidly as they were capable of taking the examinations. This produced some very remarkable results. There were veterans who had not even passed their entrance examinations before the war who, in only a fraction of the ordinary time that would be devoted to high school or collegiate work, were able to qualify for entrance to universities.

I believe that in every province much has been gained in the knowledge of educational procedure itself. Therefore not only have these courses which were provided under agreements between the two federal departments already mentioned and the departments of education in the provinces given to the veterans those educational opportunities they so richly deserve, but those veterans in turn, by the work they have done, have contributed to the educational knowledge of this country.

One of the most interesting aftermaths of that training is that today some of the places where technical training was given to veterans under these agreements are now being used to give special technical training below the university level to those who are anxious to have special qualifications.

All that grows out of this experience. It has been a fine demonstration of effective co-operation, prompted by a desire to assist

the veterans as they should be assisted. It has also demonstrated what can be done in the field of education where provincial authorities are given that measure of financial support which they need to carry on special educational activities of that kind. I think there are suggestions along the very lines that have been discussed on other occasions during this session where, without any interference whatever with the jurisdiction of the provinces, arrangements can be made whereby the provincial departments are able to broaden the base of technical and other education in this country. At this very time of year there are passing out of the universities thousands of graduates who have benefited from these educational opportunities. I think it can safely be said that Canada never had finer graduates from its universities than these young men and women, and that they are going to make a great contribution to the future of the country as a result of the education they have received.

Mr. Macdonnell (Greenwood): If I may say one word, speaking as a university trustee I should like to say that these young men and women were felt by the university authorities to have added a degree of seriousness to the work. I actually heard one university president say that for the first time in his life he had been tempted to ask students not to work so hard.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up Bill 266, an act to provide for the operation and maintenance of a residence for the Prime Minister of Canada. Then we will go into supply and take up the estimates of the Department of National Defence.

It being five minutes after six o'clock, the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF VETERANS AFFAIRS

Soldier Settlement and Veterans Land Act—

547. To provide for the cost of administration of Veterans Land Act; soldier settlement and British family settlement, $4,563,514.

548. To provide for the upkeep of property, Veterans Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $132,500.

549. To provide for the payment to the government of the United Kingdom on account of losses under the 3,000 British family agreement of August 20, 1924, and the New Brunswick 500 British family agreements of August 4, 1927, and August 27, 1935, $10,000.

550. To provide for the payment of grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 35 of the Veterans Land Act, 1942 (as amended by order in council P.C. 2122, dated 13th April, 1945), and payment of grants to veterans settled on dominion lands, in accordance with an agreement with the Minister of Mines and Resources, under section 35 of the Veterans Land Act, 1942, as amended (P.C. 1550 of 18th April, 1946), $1,700,000.

551. To provide for the payment of grants to Indian veterans settled on Indian reserve lands under section 35A of the Veterans Land Act, 1942 (as amended by order in council P.C. 2122, dated 13th April, 1945), $500,000.

552. To provide for the reduction of indebtedness to the director of soldier settlement of a settler under the Soldier Settlement Act, in respect of a property in his possession, the title of which is held by the director, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property and his ability to repay his indebtedness to the director, under regulations approved by the governor in council, $150,000.

553. To authorize and provide for necessary remedial work, to be approved by the governor in council, on properties sold under the Veterans Land Act, under individual firm price contracts, to correct defects for which neither the veteran nor the contractor can be held financially responsible, $30,000.

554. To authorize and provide, subject to the approval of the governor in council in each case, for the completion of necessary remedial work to houses and services constructed under the 1945 building program, $104,600.

HOUSE OF COMMONS

Thursday, June 8, 1950

The house met at eleven o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WORLD WAR II—RECRUITS REJECTED FOR COMBAT SERVICE

Mr. Knight:

1. What number and percentage of those examined for service during the second world war were rejected for combat service on account of (a) inability to meet the physical standards set for recruits; (b) inability to meet the requirements for the necessary emotional stability?

2. What number and percentage of those examined and accepted were later found to be unfit for combat service due to insufficient (a) physical stamina; (b) emotional stability?

Mr. Blanchette:

1. Comparative statistics for the three armed forces and for the full period of second world war are not available. Owing to the variation in requirements and statistical data available in each of the components of the fighting forces, separate figures are given for each service.

(a) Navy, 11,509 or 10·1% (period 1 Sep. 39 to 30 Sep. 45); Army, 262,830 or 35·5% (period 1 Jan. 41 to 31 Dec. 44); Air, 46,881 or 18·6% (period 1 Aug. 41 to 31 July 44).

(b) Navy, 436 or 0·38% (period 1 Sep. 39 to 30 Sep. 45); Army, included in (a) above, separate statistics not available; Air, 2,636 or 1·04% (period 1 Aug. 41 to 31 July 44).

The higher percentage for the army as compared with the navy and air force arose to a large extent from the fact that entries to the navy and air force were voluntary whereas the army had to classify not only volunteers but all personnel called up for the armed services under the National Resources Mobilization Act. After introduction of compulsory military training, rejection certificate for service in the armed forces could be issued by army only.

2. (a) 5,833 or 5·7% (period 1 Sep. 39 to 30 Sep. 45); Army, 105,201 or 14·4% (period 1 Sep. 39 to 31 Dec. 45); Air, 18,021 or 7·3% (period 1 Sep. 30 to 31 Dec. 45).

(b) Navy, 1,093 or 1·07% (period 1 Sep. 39 to 30 Sep. 45); Army, 47,646 or 6·5% (period 1 Sep. 39 to 31 Dec. 45); Air, 6,363 or 2·5% (period 1 Sep. 39 to 31 Dec. 45).

55946—212½

The above figures include all those discharged for physical disability resulting from active service.

MILITARY EXERCISES AT PLAGE AUX BLEUETS, QUE.

Mr. Courtemanche:

What was the total cost of the military exercises during the night of May 13-14, 1950, at Plage aux Bleuets, Oka, Quebec?

Mr. Blanchette: Estimated cost, $12,000.

AERIAL MAPPING AND SURVEYS, SASKATCHEWAN

Mr. Wright:

In contracts let for aerial mapping and surveys in the province of Saskatchewan in 1949, to Survey Aircraft Limited, Vancouver, and Air Service Limited, Edmonton (a) what was the rate paid per square mile; (b) what was the number of square miles surveyed by each of these companies?

Mr. Maybank: (a) Survey Aircraft Limited—paid $3.90 per square mile, plus federal sales tax; Air Surveys Limited—paid $4.35 per square mile, plus federal sales tax. (b) Survey Aircraft Limited—12,212 square miles; Air Surveys Limited—10,802 square miles.

Note: No contracts were let to Air Services Limited, Edmonton, figures above are for Air Surveys Limited, Edmonton.

BOUCHARD PLANT, STE. THERESE, QUE.

Mr. Bertrand:

1. Is there any ditch cleaning or ditch digging to be carried out this year at the Bouchard plant, Ste. Therese?

2. If so, is such work to be done with machinery?

3. Before reaching such decision, was consideration given to the number of unemployed at Ste. Therese at the present time?

Mr. Blanchette:

1. Yes.

2. Mostly day labour.

3. Answered by No. 2.

MOUNTED POLICE—BRITISH COLUMBIA

Mr. Fulton:

1. On what date were consultations or negotiations between the federal and British Columbia provincial authorities commenced regarding the taking over by the R.C.M.P. of police work in the province of British Columbia?

2. Have negotiations yet been completed?

3. If not, what is the present status of the negotiations?

4. What steps are being taken to provide that personnel of the British Columbia provincial police

who wish to do so may remain in their present categories or categories of not less seniority in the R.C.M.P. when the transfer has been completed?

5. What arrangements are being made to ensure that the pay of members of the British Columbia provincial police who continue in such equivalent categories in the R.C.M.P. will not be adversely affected?

Mr. Garson:

1. 18th April, 1950.

2. No.

3. Still under discussion.

4. The situation in this respect is being examined by R.C.M.P. personnel officers.

5. The situation regarding pay is being examined by R.C.M.P. personnel officers.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DUNDAS, ONT., ARMOURIES—REPAIRS OR ADDITIONS

Mr. Lennard:

1. Are repairs or additions to be made to the armouries located at Dundas, Ontario?

2. If so, is the work to be done on a cost plus basis or by contract?

3. If by contract, were tenders advertised for, or was it by invitation?

4. Who has been awarded the contract, and at what price?

FIRE LOSSES, 1946-49

Mr. Browne (St. John's West):

1. What was the value of the damage caused by fires during the calendar years 1946 to 1949, in each of the provinces of Canada (a) forests; (b) industrial property; (c) dwellings?

2. How many persons lost their lives in fires, and how many were injured for the same period?

Mr. Bradley: Return tabled.

DOMINION STEEL AND COAL CORPORATION—SUBSIDIES, ETC.

Mr. Gillis:

1. Was any money paid the Dominion Steel and Coal Corporation for the calendar year 1949?

2. If so, what amount by way of (a) subsidy; (b) subvention; (c) rebate under the Maritime Freight Rates Act on the operation of the Sydney and Louisburg railway?

LOANS OR CREDITS TO OTHER COUNTRIES

Mr. Low:

With reference to loans or credits Canada has extended to overseas nations, how much was granted to each nation, and/or spent by each nation in each year from June, 1945, to March 31, 1950?

FLOOD CONDITIONS

SOUTHERN MANITOBA—VISIT OF MINISTER OF FINANCE—INQUIRY AS TO FINANCIAL ASSISTANCE

On the orders of the day:

Mr. J. A. Ross (Souris): I should like to direct a question to the Minister of Finance. Has he received an estimate as to the financial loss caused by the Red river flood in Manitoba, and has he received any request from the province of Manitoba for an interim grant?

Hon. Douglas Abbott (Minister of Finance): I had a very interesting visit to Winnipeg yesterday. I now have a progress report from the joint commission appointed by the Manitoba and dominion governments to accumulate factual material to enable the dominion government and the provincial government to ascertain the measure of their respective financial responsibilities. I shall be discussing the matter with my colleagues today, and I expect to be in a position to table the report and make a statement to the house tomorrow.

SOUTHERN MANITOBA—MONTHLY PAYMENTS ACCRUING ON EVACUATED HOUSES

On the orders of the day:

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Yesterday the member for Selkirk (Mr. Bryce) asked whether Central Mortgage and Housing Corporation had made any representations to insurance companies requesting them to permit evacuees to forgo monthly payments while their families were evacuated. In reply I may say that Central Mortgage and Housing Corporation has no authority to make such representations. I understand, however, that the loan companies have been engaged in discussions during the last few days on this problem, and as yet no decision has been announced.

DOMINION ELECTIONS

CARTIER BY-ELECTION—PRINTING OF NOTICES AND POSTERS IN ENGLISH

On the orders of the day:

Mr. Leon Balcer (Three Rivers): I should like to direct a question to the Secretary of State. Is it to his knowledge that in the electoral district of Cartier the official electoral notices and posters are all printed in English, although thirty-five per cent of the population are French-speaking?

Hon. F. G. Bradley (Secretary of State): I have had no notice of the hon. member's question, but I will take occasion to inquire into the matter at an early date.

EXTERNAL AFFAIRS

ECONOMIC ASSISTANCE TO SOUTH AND SOUTHEAST ASIA—SYDNEY CONFERENCE

On the orders of the day:

Mr. Gordon Graydon (Peel): Yesterday, Mr. Speaker, in the absence of the Minister of Fisheries, I directed a question to the

minister of external affairs; perhaps I may repeat it to the Minister of Fisheries today. When does he expect to be in a position to make a full report to parliament on the meetings which he attended in Australia a few weeks ago as Canadian representative?

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, I was asked by the Minister of External Affairs to attend the commonwealth conference at Sydney. I considered it to be my duty to make a report to him as to what we were able to accomplish and I thought that he would make a statement. However, the minister has asked me to make a statement some time before the house prorogues, and I expect to do so when his estimates are before the house. I do not know of any other occasion on which I could make the statement.

Mr. Graydon: Does that mean the minister will make the statement before the external affairs committee which is dealing with the estimates?

Mr. Mayhew: No; I shall make the statement before the house.

PRIME MINISTER'S RESIDENCE

PROVISION FOR OPERATION AND MAINTENANCE OF A RESIDENCE FOR THE PRIME MINISTER OF CANADA

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 266, to provide for the operation and maintenance of a residence for the Prime Minister of Canada.

He said: Mr. Speaker, this bill provides for the maintenance and operation of the prime minister's residence. When the resolution was being considered yesterday there was some discussion about the construction of the house. I would point out that such discussion is not pertinent to this bill. Parliament has decided to construct a residence for the prime minister, and the house was informed that it was the intention to remodel an existing residence for that purpose. The problem that faced the government in connection with this property was similar on a smaller scale to that which faced the government of the United States with regard to the remodelling of the White House. It was known that it would be much cheaper to tear down the White House and rebuild it, but it was decided that in view of the historic aspect of the White House, the government would proceed to spend $4 million in remodelling the present structure rather than building a new house for about half of that sum. I am not suggesting that the two cases are entirely parallel; however, there was some reluctance about tearing down one of Ottawa's fine older houses and replacing it with a new building. Consequently the cost of remodelling the house is whatever the cost must be. The government has appointed a reliable firm of architects with wide experience in building better-class houses, and has appointed a responsible firm of local contractors to do the building. The work is being supervised by the architects, as well as by a clerk of the Department of Public Works. I believe, therefore, a discussion of the cost of building this residence is not pertinent to this bill.

The question does arise, however, of the position of the prime minister in living in that residence. We have looked up precedents and we find that in England the prime minister is provided with two houses, one at 10 Downing street and the other at Chequers, both of which are wholly maintained by the government. In England the practice goes even further, in that a number of flats throughout London are provided for cabinet ministers and maintained at public expense. I am not suggesting any extension of the prime minister's residence principle in Ottawa; I simply draw that to the attention of the house as a precedent for the position we are now considering.

In the United States the White House is maintained by the government and a skeleton staff is provided by the government. The president pays for the remainder of the staff and provides for the running expenses of the house. I point out that for that purpose he can draw on an expense account of $75,000 per annum, which is placed at his disposal to be used at his discretion.

The Prime Minister of Canada has no personal expense account. The Prime Minister does not wish to be better off as a result of occupying this residence than he is today, and has therefore insisted that he make a payment for the use of the house. According to the provisions contained in the bill the house will be maintained by the Department of Public Works, as to heating and repairs; the grounds will be maintained and improved from time to time by the federal district commission. The government will appoint a steward for the house, who will engage the necessary staff and provide the services that are required in the house.

No doubt a question will be asked as to why the prime minister's annual payment is fixed at $5,000. Several considerations were taken into account. One was that the salary of the prime minister is fixed at $15,000 per year, whereas the salary of a cabinet minister is fixed at $10,000 per year. It was felt

that the $5,000 would cover the additional expenses the prime minister would have above those of other cabinet ministers, and that that sum might be a fair gauge of the amount that the prime minister should contribute in return for having a house and living provided in Ottawa. There was also the fact that a man living in Ottawa, who finds it necessary to maintain a home elsewhere, would spend about that amount for living accommodation in the capital.

The bill provides that the prime minister will pay a rental covering food and lodging for the prime minister's residence of $5,000 per annum. I believe that what I have said explains the objects of this bill. Members in all parts of the house were desirous that the prime minister should have a home in Ottawa, which would belong to the government, and which would be a type of house befitting his position. It is ridiculous to ask a man living on a cabinet minister's salary—which I may say has not been increased in the last thirty years, and incidentally I am not complaining about that fact—to maintain at his private expense the type of house that is being provided for the prime minister.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I was unfortunately absent when the Minister of Trade and Commerce (Mr. Howe) began to speak. I understand that he suggested that it was not seemly to be inquisitive about the cost of the prime minister's residence. Let me say what I said yesterday, that I think everyone in this house wants the prime minister to have a dignified residence. I agree fully with what the minister has said about the prime minister being treated in a most generous manner. I would not cavil about the allowance which he is paying. As a matter of fact, I would not have cavilled if he were not paying anything. That is one aspect of this matter. But when it comes to the other aspect of it, which is an expenditure apparently well into $500,000, then to suggest, if the minister did suggest it, that we are really doing this, as the boys say, "sight unseen", I do not think is reasonable. So far it seems to me we have had no intelligible picture of this transaction. Yesterday everyone on the opposite side of the house who had anything to do with it seemed to pass the ball to somebody else.

I just want to say that when we get into committee we should have the details of this transaction put before us in a reasonable and intelligible manner. Up to the present time I think the only piece of definite information we have is that the coach house, or whatever it is, in front of the residence, is not to be used for the residence of a secretary. That may be highly interesting, but it does not really cover the whole case. I therefore wish to say that I think we are entitled to an intelligible and detailed statement of the cost.

Mr. M. J. Coldwell (Rosetown-Biggar): When this matter was before the house, Mr. Speaker, on September 30 last, all parties in the house were in agreement that the Prime Minister of Canada should be provided with a suitable residence at public expense. The site that was chosen is, in my opinion, one of the most beautiful in the city of Ottawa, and is in every way suitable for such a residence. On September 30 I said, as reported at page 385 of *Hansard*, that I thought the government would be well advised to build a new house, with modern conveniences, and perhaps more suitable for the purpose in mind, instead of reconditioning or rebuilding the interior of an old house. I knew this particular piece of property when I spoke about it on that occasion. Yesterday at noon, after the discussion in the house, I went to see the property again and took a look at it. I think that a mistake was made in not demolishing the old house, and building something more in keeping with the purse-strings of future prime ministers of this country and perhaps of even the present Prime Minister of Canada.

Mr. Fraser: You are one hundred per cent right on that.

Mr. Coldwell: I think the government itself may be disappointed at the cost of reconditioning this building, in spite of what was said to me yesterday as a matter of fact by one of the officials to the effect that this might be considered to be an historic building. It is of course different from the White House in the United States in that respect, because it has no history of any sort behind it which would recommend it to the public of Canada.

I also want to agree with the hon. member for Greenwood (Mr. Macdonnell) when he said that we should scrutinize the terms of this bill. It seems to me that it would be far better had we had a more modest arrangement and not included in the bill the $5,000 provision. I think that looks rather small on the part of this parliament. I can understand why the government put this provision in the bill, although I think it would have been better to leave the matter entirely open so that it could be dealt with, if it was felt necessary to do so, in some other way.

I want to say this, however. The emoluments of the Prime Minister of Canada, in comparison with those of some other offices under the crown, are exceedingly modest. We have for example, the governor of the Bank of Canada. I do not know exactly what his emoluments are, but I believe that they are

at least twice as much as the salary the Prime Minister of Canada receives. Then we have the emoluments of the president of the Canadian National Railways, and they are, I believe, three times as much as the Prime Minister of Canada receives. Consequently I feel rather badly about this $5,000 provision.

I am all in favour of our providing a suitable residence but, as I said before, I think a bad mistake has been made. We may criticize the expenditure and the cost of this building as much as we will, but the deed is done. The building is there. It is being remodelled, and I must say from what I saw yesterday that the minister was quite right when he said we have a competent firm of architects who are doing the best they can with an old building which, when they looked into it, was found to be in relatively poor condition. Much more had to be done in the strengthening of the walls and all the rest of it than was expected. The government made a bad guess, and whatever we can do now will not rectify the results of that guess. I am therefore suggesting that we must accept the situation as we find it and give consideration to the provisions of the bill.

I think our country is doing the proper thing, in conformity with what other countries have done, in providing the first citizen of this country with a residence in which he may receive distinguished guests from at home and abroad.

Mr. G. A. Cruickshank (Fraser Valley): I should like to say a word about this matter, Mr. Speaker, in the first place because I intend to move an amendment to the bill when it comes before us. I believe I am in order in saying that I am going to move an amendment.

I come from a rural riding where we do not have pretentious places, but I object strenuously to that $5,000 provision, which was mentioned by the hon. member for Rosetown-Biggar (Mr. Coldwell). I intend to move an amendment that the rental be $1 a year. After all, it does not matter what party is in power; the leader of that party is the Prime Minister of Canada, in a position analogous to that of the president of the United States. Naturally I hope that none of the parties opposite will be in power. But if they are, the people in my riding, and I as an individual member, will pay respect to the position held by the leader of it, whatever party it may be.

As the leader of the C.C.F. stated when he spoke last year, if I remember correctly, it would have been better to tear the old building down and build a new one. Two wrongs, however, do not make a right. We have a skeleton out there now, and the best we can do is to make it a credit to Canada, in keeping with the position we hold in the United Nations.

As I said, Mr. Speaker, I intend to move in amendment that the rental be $1, not $5,000, for the Prime Minister of Canada, whoever he may be and to whatever party he may belong.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I think the house has to distinguish between two things in approaching the second reading of this bill. On the simple issue whether the country should provide an official residence for the prime minister, I am quite certain that there will be no disagreement or difference of opinion in this house. If that were the sole principle of this bill, then of course it would be entitled to command unanimous support on second reading. But, sir, this bill goes further than that. This bill proposes to make a particular property in Ottawa the official residence. The bill sets out in detail a description of the property by metes and bounds. Therefore it seems to me that the acting leader of the government is quite wrong in saying, as he has intimated this morning, that the house should not concern itself with an examination of this particular property as to the cost, and the expenditures made upon it, in trying to fit it for use as the official residence for the prime minister.

There is one particular correction that I should like to make in the remarks of the right hon. gentleman. Early in his remarks this morning he used these words: "The house has decided to construct a residence." That may have been simply a slip of the tongue. What the house has intimated, informally to date it is true, is that it approves the idea of providing a residence. It seems to me that there was no suggestion in anything that has been said so far in the house that the selection of this particular property was approved; nor was the method that the government has pursued in renovating the property, and spending vast sums of money thereon, approved.

The acting leader of the government did not buttress his case one little bit this morning, sir, by bringing in the argument about historical values, and setting up the White House at Washington as an example. Certainly the White House at Washington is of the greatest historical interest. That would be a factor of leading importance to the government of the United States in deciding whether that building should be renovated or replaced by an entirely new building. Is anyone going to say that this particular property, the former Edwards residence, has such

historical value to the whole people of Canada that it must be maintained in its present form? I think that argument does not add one little bit to the strength of the case put forward by the acting leader of the government.

The hon. member for Rosetown-Biggar (Mr. Coldwell) has said: "True, the government has made a bad guess; but here we are faced with an accomplished fact, and we have to accept it." Sir, it goes a good deal beyond a very bad guess on the part of the government. The government has botched this whole undertaking from the beginning. The idea started off on a perfectly sound basis, and then was mishandled to the point where it is very difficult, in a bill of this kind, for some hon. members to give approval to it when they realize that by giving approval to it they have to overlook completely the botch that the government has made of it.

I think it is time, sir, to face this situation very clearly. What the government has done is this: Without asking for specific approval of parliament, without bringing before the house last fall, as it should have done, a bill to set aside a particular property, if they thought that was the best property, they made an announcement in the house without mentioning anything of that idea. They proceeded by order in council to set aside a house that had been acquired by the government several years before by expropriation for a purpose that we did not then know, and then proceeded with the work of renovation. All that was said in the house on that occasion, on September 30, by anybody who spoke in the house was that the idea that the government should provide at the expense of the country an official residence for the Prime Minister was approved; but no one went beyond that. Whatever has been done in regard to selecting this property, whatever has been done in the way of expenditure of vast sums of money upon it to try to modernize an ancient house, has been done solely on the responsibility of the government and without any approval on the part of this house.

Now, sir, what exactly has the government done? The right hon. gentleman said this morning that the cost is not pertinent. Sir, that is an extraordinary proposition, when we are asked as a House of Commons to—

Mr. Howe: My hon. friend should not use half sentences. What is the rest of that sentence?

Mr. Fleming: I must say that I have the full language of the sentence. The relevant part was this. He said that the cost was not pertinent and need not be discussed.

Mr. Howe: I said, was not pertinent to this bill. By deleting part of the sentence my hon. friend has completely changed its meaning.

Mr. Macdonnell (Greenwood): No, no.

Mr. Fleming: I have not changed one iota of the sentence of the right hon. gentleman. What he said, sir, in a very plain statement to the house this morning was that the cost was not pertinent to the discussion of this bill this morning. There is no member in the house who could draw any other inference from it.

An hon. Member: You did.

Mr. Fleming: I submit that no hon. member can dismiss from his mind questions in regard to costs or the method of dealing with this property, in addressing himself to his responsibility in relation to this bill.

What did the government do, entirely on its own responsibility? I have said in the first place that by order in council they set aside a government-owned property for this purpose. I remember the occasion in the life of the last parliament when the exchequer court established the amount to be paid by the government on expropriation of this property. I believe the figure was $140,000. Being of an inquisitive turn of mind I remember rising and asking the prime minister at that time for what purpose the government intended to use the property. The answer was completely evasive. Nobody knew by the time the then prime minister had finished what the property was to be used for.

The government has taken the responsibility by saying this is to be the property which will be used as a residence for the prime minister. So far as the physical situation of the land is concerned, everyone I am sure will agree with what the hon. member for Rosetown-Biggar said this morning, that it is a beautiful property, is handsomely located and from that point of view is very suitable. But what about the house? Would it not have been common sense on the part of anybody who has any claim to using his sense in reference to business to sit down first and try to count the cost? That is one thing this government did not do. They make no pretence of having done it. What they did was to decide, again without any consultation with or approval by parliament, that they would maintain the existing structure. So far as we are told, they did not ask for the preparation of any plans or for the submission of estimates on the cost of construction of a suitable modern residence. Apparently that did not enter into the scope of consideration on the part of the government. They just decided they were going to take this old building—I am told

it is eighty years old. It goes back almost to the time of confederation. Perhaps that is what the acting leader of the government meant this morning when he talked about historical interest, an eighty-year old building—and they started in to disembowel it and tried to make an ancient structure suitable for use as a modern residence.

What is the cost? Well, at least at that stage one would have thought they would seek to have some estimate of the cost. Having failed to exercise any elementary sense of business in not ascertaining the cost of constructing a modern counterpart of such an ancient edifice, the number two mistake, the number two blunder was this. They did not even have an estimate of the cost of this type of renovation and reconstruction, because it is a major job of reconstruction, let there be no mistake about that. The Minister of Public Works (Mr. Fournier) told this house that the alterations and improvements to the main building, so he was told, will cost $135,000. He also told the house that that was only an estimate. But, sir, let the house be quite clear on this. It was not an estimate given before the work was undertaken. The government decided on this task of renovation and reconstruction without having a firm estimate before them of the cost of construction. The government do not know even today what it is going to cost. They cannot even tell us exactly what the renovation of the grounds is going to cost. They cannot tell us today what the furnishings in the residence are going to cost; they cannot tell us in fact anything that I think most hon. members of this house making any claim to business sense would want to know or would have asked at the very outset of this undertaking before they gave approval to it. So I say that this government has taken a sound idea, an idea which will command general acceptance, the idea that the country ought to provide a suitable residence for the Prime Minister of Canada, and from that point on has proceeded to botch the whole job.

It may be that we are now faced with a situation from which it is difficult to retreat. The government exercised its power by order in council and as a result of that decision, which the house has had no opportunity to debate or to discuss, we are now faced with a situation where it becomes difficult to try to restore good business sense, in the face of what the government has done, and its series of blunders. One can only express in this situation the most profound regret that there was not somebody in the government sitting opposite who had enough common sense to stand up in cabinet council and say: Look here; are you going to prejudice this whole idea of providing the prime minister with a residence by going ahead and making a series of blunders, without sitting down first and asking yourselves, first, whether this is a suitable house for the purpose and, second, if the house is to be made suitable for the purpose, what it will cost? Apparently there was not one man in the cabinet yonder who had enough business sense or courage to stand up and try to defend a sound idea from botching on the part of those who have handled it since.

There is one other observation I should like to make about the bill, and it concerns a subject already touched upon by some hon. members who have spoken this morning. I refer to the provision which proposes to charge the Prime Minister of Canada $5,000 a year, and pro rata for any period less than a year, for his food and lodging for himself and family. I believe all hon. members will acknowledge and applaud the motives of the Prime Minister (Mr. St. Laurent) in his attitude concerning this provision, as related to us by the acting leader of the government this morning. He has shown a fine sense with which I am sure no one would quarrel.

On the other hand I do not think members of the House of Commons ought to make that fact the occasion for doing something that is wrong in principle. And, sir, it seems to me that the provision which proposes to charge the Prime Minister of Canada $5,000 for his use of the building is wrong in principle. The leader of the government indicated that this amount had been arrived at—at least, I so understood him; I do not profess to quote him exactly—from the fact that the Prime Minister's living costs on similar account today are approximately the same.

The Prime Minister is in office today. We do not know how long he will occupy this residence. It may be that the next prime minister will enter the residence under quite different circumstances. It may be that his comparable living costs will be somewhat less than $5,000 a year; on the other hand it may be that his comparable living costs will be considerably higher than that. Therefore, it seems to me that to relate this figure in the bill to the particular comparable costs of the present Prime Minister is to expose the entire fallacy in it.

Sir, there is nothing to prevent any incumbent of the office of prime minister who may now or in the future occupy this residence from making any contribution he may wish to the consolidated revenue fund of Canada, if he believes that in the occupation of the residence he is enjoying a benefit that he does not wish to accept without

making appropriate payment. However, I say it is wrong in principle to insert in a bill which is to become a statute of the parliament of Canada a provision of this kind, which names a figure which has been arrived at in the light of the circumstances of the present incumbent of the office, and may be entirely unrelated to the circumstances of any future prime minister.

The hon. member for Fraser Valley (Mr. Cruickshank) has intimated his intention of introducing an amendment to this section of the bill, and I hope he will pursue his purpose and thus give the house an opportunity to express its opinion in the matter. I have a feeling that the house will not approve that section of the bill if it is given an opportunity to express itself freely in relation thereto.

Mr. Cruickshank: Mr. Speaker, may I speak again?

Mr. Speaker: Order. The hon. member for Fraser Valley has already spoken. He cannot speak a second time on the motion for second reading of the bill.

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, there is one part of the speech of the hon. member for Eglinton (Mr. Fleming) that I think requires some clarification. He introduced the subject of expropriation of this property by a charge of evasion against the former prime minister. With respect to his propriety or impropriety in using such language, I am quite sure history, and all members of parliament here, will know how to assess that charge and that language.

I think it only fair to point out that when this property was expropriated it was the last remaining piece of property, with the exception of that now occupied by the French embassy, along several miles of shore line of the Ottawa river, not held by the crown. All hon. members ought to know that all the shore line of the Ottawa river, extending from the property formerly occupied by the first prime minister of Canada, down beyond the Royal Canadian Air Force airport property at Rockcliffe, is owned by the crown, with the exception of the property I have mentioned. This expropriation, when made, was to complete that ownership by the crown of the shore line of the river. So that any charge to the effect that it was not stated at the time of the expropriation that a particular few yards of land was going to be made into a prime minister's residence, and then drawing from that the charge of evasion, is baseless and never should have been made at all.

[Mr. Fleming.]

Mr. Cruickshank: On a question of privilege—

Some hon. Members: No.

Mr. Cruickshank: I think I can speak to a question of privilege.

Mr. Speaker: If it is a question of privilege, the hon member may of course speak. But would it not be better to discuss the question when the house is in committee on the bill?

Mr. Cruickshank: No; with all due deference, after what has been said by the hon. member for Eglinton to the effect that I had given notice that I was going to move an amendment, I think I should speak now. At the request of the Prime Minister himself I am not going to move it; but I am suggesting that every member in the house vote against that section.

Mr. Graydon: When did you see him?

Mr. Daniel McIvor (Fort William): Mr. Speaker, when this property was first secured I read and watched closely editorials in newspapers all across Canada. Generally the press is a pretty good barometer. I did not see one unfavourable comment.

It is well known that the clergy and ministers all across Canada have their rectories, parsonages or manses furnished, and free. Why? Because these workers are allowed to pursue their work freely, and they are not bothered about homes and furnishings. This residence for the Prime Minister of Canada has been long overdue; in fact, each of the crown ministers should have a home of his own.

I would suggest that the Minister of Trade and Commerce (Mr. Howe) confer with the Minister of Public Works (Mr. Fournier) on another outstanding need in Canada, namely, a first-rate, well-equipped gymnasium for the young members of the House of Commons.

Mr. John Hunter (Parkdale): Mr. Speaker, I have been very patient for a long time with the hon. member for Eglinton (Mr. Fleming), and as a younger member of the house I have felt that it would be unseemly for me to interrupt his perorations. However, I have been forced to the conclusion that the hon. member for Eglinton regards himself as a new Canadian Messiah. It may be unbecoming for a younger member to offer advice to an older member, but in this case I think advice should be offered. I suggest to the hon. member that instead of these querulous scoldings he confine himself to offering constructive advice. It would be much better for him, and would certainly be less tedious to other hon. members of the house.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I should like to put myself on record as being

in favour of this nation providing a residence for the prime minister, but I do not like to put myself on record as being in favour of providing the prime minister of this country with a residence that is to cost half a million dollars, if it is true that the cost of this residence will run to this amount.

I was interested in the reference made by the Minister of Trade and Commerce (Mr. Howe) to Downing street, but I suggest that the historical associations which Downing street has is the only thing which justifies its use as a residence for the prime minister, and therefore that was not a good argument to bolster up his contention in favour of the use of this house, which in my opinion is too expensive and unsuitable for the purpose. I think a new and modern house costing perhaps $50,000 or $75,000—

Mr. Gibson: You will not get much for that.

Mr. Knight: I do not want to be misunderstood. I am prepared to agree that the prime minister of this country should have a worthy residence in which to live, and I indicated that in my opening remarks. I still feel that a residence costing $75,000 would be sufficient for anyone in this country. A new and modern house, such as suggested by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), last fall would have filled the bill nicely.

Downing street has historical associations. I had the privilege of going through it once, and frankly I would not want to live there. Certainly if one had to cook on the stoves provided in the kitchen, at least when I went through the house, you would not want to live in the place at all. I would much rather live in a modern bungalow costing $5,000. As I say, to refer to the use of Downing street is no argument to bolster up the contention that this white elephant, if it is a white elephant, should be used. Although the hon. member for Eglinton did not use those words, that was his intent.

I am opposed to any rental being charged the prime minister of this country for the use of a house which I submit should be provided without cost. It is true that in one section reference is made to food that will be provided, but I do not think it is within the dignity of this chamber to discuss the matter of food that the prime minister may use either for himself and family or for his guests. The prime minister should have the use of this house free of cost, and whatever food he wants to provide for his family or for his guests is his own business.

The hon. member for Eglinton has suggested that a great deal will depend upon who is prime minister and what his circumstances are, and in that respect his argument is well taken. But I still contend that the prime minister should have the use of whatever house is provided, without any strings being attached as to the food that will be used, and so on. Matters such as that should be entirely in the hands of the prime minister, just as it is in the hands of any other private citizen.

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

On section 1—*Short title.*

Mr. Fulton: Can the minister give the committee any idea of what it is going to cost to maintain this house?

Mr. Howe: I have no such information. The position is that the government decided to use this particular house for a prime minister's residence. The question whether it should be torn down was discussed, and, rightly or wrongly, the decision was that the house would not be torn down.

Mr. Fulton: I did not ask for the cost.

Mr. Howe: You have made your speech and I will make mine.

Mr. Fulton: Perhaps the minister misunderstood my question. I did not ask for the cost; I merely wanted to know what it will take to maintain the residence.

Mr. Howe: As I say, the decision was made to convert this house into a residence for the prime minister. It has been said that this house has no historical value, but whether that is so depends on one's sense of historical value. It has been one of the fine residences of Ottawa for eighty years. In discussing the matter some attention was given to the fact that people in this locality would be shocked if a residence which has long been a landmark of Ottawa were to be torn down and replaced by something else.

As the leader of the C.C.F. party (Mr. Coldwell) has pointed out, once the decision was made to convert the present house the situation subsequent to that decision was cut and dried. In other words, the problem was then to make a modern residence out of the Edwards house. If anyone can suggest that the work is not being carried on economically, then he may have a case against the government. Hon. members would expect that when this building is converted it will be a first-class modern residence. That is what is being undertaken.

After reviewing the experience of a number of architects, the government secured the services of an architectural firm which

seemed to have the widest experience in work of this type. The government arranged for the services of a local contractor who has a first-class reputation in the district. The work has been carefully supervised. The suggestion has been made that it will cost twice as much to remodel the house as it would have cost to build a new house, but I know enough about the situation to know that that is not so. I think a new house of that size and with the same facilities could be built for about what it will cost to remodel this particular house.

It may be argued that a more modest house should be built for the prime minister, but when we consider that the prime minister's residence will on occasion be available for government hospitality I doubt whether a too modest house would have served the purpose. A house was recently built in my neighbourhood, fairly small in size and in my opinion totally unsuitable for this purpose, but yet I was told by the owner that it cost $85,000. This will indicate what it costs to build a house in this day and age.

I do not know what this house is going to cost. I have not even had the advantage that the leader of the opposition has had, because I have never been inside the house; therefore I cannot even guess what it will cost. Neither can I say what it will cost to operate the residence, because I do not know. I know what it costs to operate my house. It is not a modest amount, and I do not suppose this will be a modest amount. Just as hon. members expect that the residence will be converted into a modern house suitable for a prime minister, I am sure that they will expect that the necessary amounts will be provided to maintain and operate the house on the scale on which Canada's prime minister should live. That is all I can say as to operating costs.

Mr. Fulton: My question is not related to that point. While it may be said that we would be willing to support an adequate scale of maintenance, and so on, surely we should have some idea of what it is going to cost before we commit ourselves to it. I must confess that the way I would approach the matter would be to decide first what is adequate, and then how much it is going to cost, rather than simply say, in relation to any project, that we will commit ourselves blindly to whatever it may cost. I do not think that is an efficient way to go about it. My question was based on the assumption that the government had some idea as to the staff that will be required, what the annual cost of the staff will be, and what the annual cost of maintenance will be. If they have not that information, then they cannot answer the question.

Mr. Cruickshank: Do you know what a maid will cost next year?

Mr. Howe: I am sure my hon. friend cannot give any indication of how many official dinners will be required, or how many official guests will be entertained. Anyone who attempted to forecast the cost of government hospitality in a particular year would have some difficulty in knowing what the demands on that hospitality were going to be. I might point out that the prime minister has no expense account for the purpose. All I can say is that the cost of operating the house will be what the circumstances of the year may require. I think my hon. friend can expect that the house will be efficiently operated, and that the cost will not be higher than necessary to meet the requirements of the situation.

Mr. Fulton: I do not know why this matter should be made so difficult. What I asked for was an estimate of the cost of maintenance, not the cost of hospitality or anything of that sort. If the minister does not know, perhaps he will say so.

Mr. Cruickshank: It may take two lawnmowers next year.

Mr. Knowles: Can the minister say whether the amount necessary to provide for maintenance will appear in the estimates from year to year.

Mr. Howe: Certainly.

Mr. Knowles: Under what department or departments?

Mr. Howe: Either under Public Works or the Prime Minister's department. I cannot say which.

Mr. Murray (Cariboo): Mr. Chairman, I should like to lift the debate out of the realm of a brokerage office or Eaton's catalogue to a somewhat higher standard of discussion.

Mr. Graydon: That is an insult to Ontario farmers. They read Eaton's catalogue.

Mr. Murray (Cariboo): I should like to recommend to the architects engaged in renovating the house that they use some of the woods of British Columbia and other parts of Canada. This is not an ordinary home. It will be more or less a national shrine.

Mr. Casselman: An auction sale.

Mr. Murray (Cariboo): I should like to see the beautiful cedar shingles of British Columbia placed on the roof of the house. I should

like to see edge grain fir, a great product of the mills of that province, used in some of the rooms of the dwelling. I should also like to see Ontario maple, oak and other hardwoods used. I should like to see woods used which will be typical of the various provinces of Canada.

Mr. Knowles: And Tyndall stone from Manitoba.

Mr. Howe: Mr. Chairman, every Canadian is going to be a critic of this house when it is finished, and that is perfectly natural, for every Canadian will have a stake in the property. I expect to be in the happy position that I can say I know nothing about what materials are going to be used in the remodelling of the house. The government has appointed a responsible firm of architects, and we expect them to protect the public interest. Therefore I cannot make the promise that the hon. member would exact, although I was told that cedar shingles from British Columbia will be used on the roof of the house.

Mr. Cruickshank: And B.C. salmon served.

Mr. Hodgson: I have done a considerable amount of building, and B.C. shingles are about the poorest thing you can put on a roof. They crack and warp. You have to be very careful how you nail them. If you want to have a shingle roof use good old Ontario shingles.

Mr. Cruickshank: Imitation.

Mr. Hodgson: I should like to ask the minister whether my understanding is correct that the renovation of the house is not being done under contract?

Mr. Howe: Correct.

Mr. Hodgson: How is payment to be made? Is somebody getting ten per cent plus?

Mr. Howe: No. A contractor was appointed and his fee was fixed at $10,000 for the job. The work is being carried out on force account.

Mr. Macdonnell (Greenwood): I should like to point out that an attempt is being made, I think rather foolishly, to suggest that the effort to introduce some common sense into this matter is in some way undignified. That was attempted yesterday, and I thought perhaps we were through with it. I think it is tiresome. We are all in favour of a dignified residence for the prime minister. Let us get that settled once and for all, and let us have a little common sense. At the present time we are being asked to approve something, and we know not what. I notice that the Minister of Public Works is not here. I think it would be proper if he were here. I should like to read what he said yesterday, and I ask hon. members whether sensible people should be asked to vote money in this helter-skelter ignorant manner.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): I shall read it to you and you can judge for yourselves. The hon. member for Lake Centre asked what was the estimated cost, and at page 3302 of *Hansard* the Minister of Public Works said in reply:

> Those I have consulted so far dare not give an exact estimate, because in estimating the cost of remodelling an old building we are nearly always wide of the mark. I believe in the main estimates there is an amount of $80,000, but I am sure that will not be sufficient.

I guess we are all sure of that. Then the hon. member for Lake Centre said: "What is the general estimate?" The Minister of Public Works replied:

> I think it will be somewhere around $100,000—that would only be a personal guess, and if I make a mistake it will come back on me. I would rather not give my opinion. I am not a contractor.
>
> Mr. Smith (Calgary West): Allow yourself a leeway of $100,000 for error.
>
> Mr. Fournier (Hull): If that is the attitude of my good friends, I would say between $150,000 and $200,000; that is about the closest I can come.

I ask whether it is sensible, Mr. Chairman, for grown men to vote money in that way. All we are asking is that we should have an estimate given in good faith. We all know something of the difficulties of renovating a building. At the present time all we have is figures thrown at us in bits and pieces. We have not had a figure yet from any responsible person as to what the total cost is going to be. If it will be somewhere in the neighbourhood of half a million dollars, is it unreasonable to ask that we be given a serious figure to show roughly what it is? We will not be foolish and hold the Minister of Public Works to $5,000 or $10,000. We know that cannot be done in a situation of this kind. At the present time we are left absolutely at sea, and an attempt is being made to suggest that because we are asking for this information, somehow or other we are being disrespectful to the Prime Minister. I never heard such utter nonsense in my life.

Mr. Howe: I wish to correct an impression left by the last speaker that the bill appropriates money to build the house. It does nothing of the sort. The estimates of the Department of Public Works will be considered in due course. At that time my hon. friend will be entitled to an estimate of the cost of the house. There is no reference in this bill, in any way, shape or form, to the cost of the house, and he would not be entitled to that information at this time even if it were available. I can tell him I have not

such information although I have the information necessary to discuss this bill. I cannot discuss the cost of the house.

Mr. Macdonnell (Greenwood): I presumed we would have that answer. It does not seem to me a reasonable answer. If we approve this, then when we come to the estimates we shall be told we have approved the whole thing, so what is the use of cavilling at any figures. I see no reason whatever why we should not have an estimate in good faith from a responsible quarter as to what the cost is to be. We have nothing now except a lot of jocular figures.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—*Annual payments.*

Mr. Bradette: I feel that there is only one way for me to vote on section 5. Until the emoluments of the office of prime minister of this country are increased from $15,000 to $25,000 or $30,000 per year, I shall have to vote against the section. I believe that this country is not being fair to the prime minister. As an example, I could cite men in my constituency who are working for large corporations and who are receiving from two to three times the salary of the prime minister of this country. I believe those people deserve all they are getting, they are worthy of their hire, for they are working for large mining and corporation interests. I repeat that I do not see how it is possible for this committee to pass section 5 without a promise that parliament will rectify the anomaly that I have just mentioned.

During the general discussion on the first section of the bill, some members mentioned the cost of the food. Surely Canada ought to be able to provide adequately for the prime minister without quibbling about such details as the cost of the food. After all, we voted tremendous sums of money to send food to other countries for which we do not expect any repayment and over which expenditure we practically have no control. Surely it is the duty of this parliament to see to it that if this item is passed, then within a reasonable time, and not later than early next session, the emoluments of the office of prime minister and of the members of the cabinet are properly dealt with.

Someone said that a future prime minister might not be able to pay $5,000 a year. We parliamentarians realize what it means to be mere members of parliament and the calls that are made upon us. I may say that I am satisfied with what I am receiving as a member of parliament, but how much money can any member save if he accedes to the requests made of him, and logically made, by his constituents?

On the other hand, consider the position of the prime minister, who always keeps himself at the entire disposal of every citizen and organization of this country. Let us visualize for a moment what the establishment of this government house will mean. It will come next to Rideau Hall as the rendezvous of officials, the place for receptions for prominent people from Canada and the rest of the world. Surely, we cannot afford to be niggardly about a matter of this kind.

Mention was made during the discussion of the estimated cost of the house, $100,000 or $200,000. If we cannot afford to provide proper accommodation for our prime minister, and to see that he gets a salary befitting his office, then this parliament does not seem to be fulfilling its duty in relation to matters such as this. The only way I can vote for section 5 is to have a promise that the emoluments of the office of prime minister will be increased before the next session. I am sure the majority of the people would wish that this be done.

Mr. Howe: This section was put in the bill at the request of the Prime Minister himself. The Prime Minister wishes to be in the same position as every other citizen of Canada, namely, that he pay his living expenses out of his salary after taxes. Whether or not the amount is a fair amount has been given a good deal of thought. It is believed that it is a fair amount. I believe it to be logical that the prime minister's salary should be increased, but this is not the time or place to discuss that subject. The Prime Minister would not wish that his salary should be increased as a result of anything that might happen in connection with the prime minister's residence. I sincerely hope, therefore, there will not be too much objection to this section. I did not like it when I saw it, and I do not like it today. Nevertheless if I were prime minister I believe I would feel that I would want to pay for the board and lodging of myself and my family, and that is what this payment is intended to cover. As I say, it is at the Prime Minister's request that this section is inserted in the bill.

Mr. Coldwell: I believe the great difficulty with this clause, apart altogether from the objections which have been voiced thus far, is that it is going to be static. No one knows whether the cost of living will go up or down. It seems to me it is a mistake to put a figure of this sort in the statute. If this

were a regulation it might be a different matter, but to put it into a statute of the parliament of Canada is, I believe, fundamentally wrong. It would seem to me some better method could be devised if the Prime Minister insists on having this provision inserted. It could be stated that it be an amount to be decided from time to time by some organization responsible to this parliament, such as the treasury board. I do not like this section at all, and I quite agree with the Acting Prime Minister (Mr. Howe) that this is not the place to discuss the salary or the emoluments of office of the prime minister.

I well remember a discussion with the former prime minister and the leaders of the opposition parties of this house several years ago, when this matter of the emolument and residence came up quite accidentally. Perhaps it would have been better had these matters been settled when the former prime minister left the office a few years ago. We have to consider these two things separately, and so far as the emoluments of office are concerned we should forget them for the moment. This morning we have the question of the residence before us. Do we want to accede to the request of the Prime Minister and leave this section in the bill, or do we want to take it out? We have to remember that this bill deals with the residence of the prime minister, and not the residence of the present occupant of the office. While we would like to meet the wishes of the Prime Minister, and indeed greatly appreciate the fact that he wishes to do this, I think the house has to decide whether it is wise to write the amount into a statute.

Mr. Low: Mr. Chairman, I wonder whether it would not be wise to rephrase the section and say:

> The prime minister shall pay to the Receiver General of Canada an amount to be determined by the treasury board for any period—

Perhaps that would meet the requirements.

Mr. Howe: I may say that that proposal has been put before the Prime Minister. Council followed somewhat the same approach that is being taken in this house. There are reasons why it is better to have the amount fixed by act of parliament. The amount can be changed when the prime minister's salary is changed. This amount is one-third of his salary as prime minister, and something like one-quarter of his income before taxes from all government sources. I believe it is a reasonable amount for the purpose. There are tax questions that hinge on the amount fixed, and since this provision expresses the wish of the Prime Minister, after all considerations were put before him, I ask the committee to approve this section.

Mr. Macdonnell (Greenwood): While I would be quite ready to vote for an amendment such as was indicated—in fact I would find it difficult to vote against it—it has been stated that the alternatives were discussed with him by those who are closest to him, and it does seem to me that his wishes should be followed.

Mr. Bradette: I should like to ask a question of the Minister of Trade and Commerce. The sum of $5,000 was decided by the Prime Minister himself. We all appreciate what he did in this respect, and Canadian people will appreciate it too. But personally, not knowing the situation of his office in all its detail, I believe that the sum of $5,000 is too high a percentage to be taken from his emolument. I believe that twenty per cent would be sufficient. It is not necessary that the amount should remain fixed rigidly at $5,000. Twenty per cent would be $3,000, which in my opinion would be more reasonable.

After all, the prime minister not only has the obligations of the prime minister to fulfil and all the responsibilities that this high office entails but is called upon in connection with all sorts of good causes and activities. When the late lamented Viscount Bennett was prime minister I remember that he himself told me that there was not a single day in which he did not have fifty calls made upon him, on his own money. If he had had only the emolument of his office, it would never have been possible for him to take care of them. There is no doubt that the calls on the Prime Minister are as great, if not greater, at the present time; I am sure he would have at least fifty calls a day involving payments out of his salary. We are speaking in terms of dollars and cents at the present time. It is just as important for the prime minister to live comfortably as it is for others; and it is important that he personally be kept free from annoyances of a financial nature which sometimes are exceedingly depressing. I believe that twenty per cent of the emolument of the prime minister should be sufficient. I believe that it would be satisfactory to the Prime Minister himself and to the whole of Canada if such an amendment were made to this clause.

Mr. Howe: No, Mr. Chairman; I can assure you that the Prime Minister would not welcome that amendment. He takes the position that his expenses while in Ottawa today are about $5,000 a year. He does not wish to have that amount reduced in any way.

Mr. Gibson: I appreciate greatly what the hon. member for Cochrane has said, and I understand the difficulty of the Minister of Trade and Commerce. The hon. member for

Official Residence for Prime Minister

Rosetown-Biggar suggested that this figure of $5,000 should be somewhat flexible. I think that a figure would be difficult to arrive at, because we would be haggling about the amount, and we would not like to have that. The hon. member for Rosetown-Biggar does not like that.

The other consideration of course that arises is this. One prime minister may be a man of independent means, but his successor could conceivably be an ordinary member of parliament like the rest of us, and he might be short of money. We have a statutory allowance in order that some of my ministerial friends may drive motorcars, but once in a while I see them in streetcars just like ordinary folk. Is it not possible that the Prime Minister would accept the suggestion from the committee, which I am sure he must feel is made in all sincerity, that we provide his particular department, the Prime Minister's office, with a residential allowance of $5,000? Most of the cabinet are here this morning. I should like them to talk the matter over amongst themselves and see if there is any way in which they could make that request; because I think they will find it meets with approval in all parts of the house.

Mr. Graydon: Perhaps, with every good intention in the world, some of the Prime Minister's best personal friends in the chamber are doing him an injustice in what they are attempting to do. No doubt the Prime Minister feels that he wants to be in an independent position with respect to this matter. He wants to pay his own way.

Mr. Gibson: How about his automobile?

Mr. Graydon: I don't know. I have never had a ride in it.

Mr. Cruickshank: I will take you in mine some day.

The Chairman: Order.

Mr. Graydon: I think perhaps the committee ought to respect the Prime Minister's wishes in this regard. He would not want to be put in the position of being coaxed by the committee into changing his position with respect to the payment of $5,000, which gives him an independent status, and as a result of which he and his family will feel they are paying their way. I do not think that we ought to press the matter any further, if it is the Prime Minister's wish to pay $5,000.

Mr. Lennard: I do not agree with that suggestion. If the Prime Minister wishes to pay his own way, if he wishes to pay his living expenses, that is his privilege. But it does not need to be in a bill to be passed by the House of Commons.

Section agreed to.

Section 6 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Howe moved the third reading of the bill.

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

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Mr. Harkness: When the estimates of the Department of National Defence were up for consideration on March 17, I did not have an opportunity of making any general remarks, and I propose to take the opportunity of making them now.

During past sessions members of this party have made several suggestions for improvement, as we saw it, of the defence forces of the country. I am glad to see that some of these suggestions have been or are being followed to some extent. Last year in particular the hon. member for Nanaimo urged that much greater attention should be paid to the development of the air arm. He urged that a larger proportion of the defence dollar should be spent on that service, and that equipment in considerably increased amount should be provided for it. During these past several months I have noticed that the minister has spoken about this matter on numerous occasions, and has made quite a point of the fact that there has been a considerable increase in the amount of the defence dollar devoted to the air force. Apparently he has been anxious to assure everyone in the country that the air force is getting what we might call major attention amongst the three services.

On several occasions in the past I have criticized the top-heavy organization of the Department of National Defence. By this I meant particularly the fact that in my opinion an unduly large number of officers and men were employed at the various headquarters and in administrative duties, with the result that relatively few people were in the fighting units. The minister has indicated that some changes in that regard are in progress or are contemplated. It was, of course, one of the recommendations of the Mainguy report that, with regard to the navy, a considerable number of naval officers employed at headquarters should be relieved from what we might call desk duties so that they could devote their time to active sea duties.

When the minister comes to answer questions in detail or reply to the various speeches that were made last March 17, I hope he will tell us more specifically what progress has been made in that direction and what is the ratio, as we might call it, between the number of persons in the actual fighting units and the number of persons on administrative and other duties at headquarters and so forth, particularly breaking the figures down to show what has been done in each of the three services. I think there is just as much necessity for that procedure in the army as there is for it in the navy, if not more. I must say that I do not know very much about the situation as to the air force, but I suspect it is much the same.

On November 11, 1949, the minister enunciated the defence policy of Canada. It may be found in *Hansard* of that date at page 1663. I should like to make some comments on that defence policy and ask some questions in connection with it. In order to have continuity perhaps I had better read the seven points which the minister enunciated at that time. They are as follows:

1. The only possible aggressor is the Soviet union.
2. Any war would be a world war involving all western peoples who would be fighting for their survival as nations and their freedom as men.
3. The best way to prevent such war is to confront the forces of communism with such strength as to deter them from attack.
4. To provide such strength requires the co-operative efforts of the western nations, including the United States and Canada.
5. Consequently Canada welcomed the North Atlantic treaty as supplementing the United Nations, and pending the strengthening of the United Nations, as an organization for world-wide security.

These five points are what you might call general points. They deal with basic concepts of what we look upon as facts. Later I shall have something to say in connection with them in relation to what our present concepts are, whether there has been any change in them or not, and so on.

The sixth and seventh points are really the operative ones, the ones which concern the defence forces and what to quite an extent we are discussing.

The sixth one is:

6. Since an attack on Canada could only be made by air or by sea, emphasis must be placed on defence forces; by air—radar stations and communications, backed by interceptors and a relatively small mobile brigade group; by sea—anti-submarine and anti-mine vessels for protection of shipping and coastal waters.

The seventh is:

7. The best place to defeat the enemy is as far away from Canada as possible, and our forces should also serve as the nucleus for the development of our maximum potential.

In connection with the sixth point, which concerns particularly the permanent force, I should like the minister at a later time to indicate whether we have the radar stations and communications, the interceptors and the small mobile brigade group which are necessary to guard again any likely attack on Canada. In my opinion we have not. When the minister is replying I should like him to say, if we have not what is required at the moment, how much progress we have made toward getting it, and what we actually have. I think the committee is entitled to know just what we have in that regard. The same thing applies so far as the remainder of that point is concerned, namely, "by sea—anti-submarine and anti-mine vessels for protection of shipping and coastal waters". We should know definitely what vessels of that kind we have, and what they are capable of doing.

In introducing his estimates on March 17 the minister said that we have two interceptor squadrons at the present time and five more in mind, so that we would have seven all told. I should like to know whether the two squadrons we have at the present time are up to strength, both in men and in planes, or are they at quarter strength or half strength? As to the other five which are proposed, what progress has been made on them? Are they merely on paper, or have the nucleus staffs for them been got together? Have any planes been secured for them?

To revert to these more general aims of our defence policy, I asked last year, when we were considering defence matters, what our commitments were under the Atlantic pact. The minister replied at that time that we had none. It was interesting to note that about the same time that the defence discussion was going on in the house, the Secretary of State for External Affairs was down in New York where he made a speech at the United Nations, I think, in which he made reference to the commitments involved in the Atlantic

pact, United Nations membership, and so forth. The result was this. I heard that somebody, having read in the press that the Minister of National Defence had said that we had no commitments for defence under the Atlantic pact, asked the Secretary of State for External Affairs this question: "Well, when is a commitment not a commitment?" That is still an appropriate query. When is a commitment not a commitment? We seem to be in a considerable amount of confusion as to what commitments we have under the United Nations, the North Atlantic treaty, and so forth. It is a matter which needs some clarification.

In his speech on November 17 the minister reiterated the statement that we had no commitments. I should like to read what he said at that time, as found at page 851 of *Hansard*, and to comment on it. He said:

> Under the North Atlantic treaty we have not made any specific commitment, but we have given the general undertaking contained in article 3 of the treaty to take such action as we deem necessary by means of continuous and effective self-help and mutual aid to maintain and develop individual and collective capacity to resist armed attack. A second undertaking, as contained in article 5, comes into effect in the event of an armed attack against one or more of the signatories. That undertaking is to take such action as we deem necessary to restore and maintain the security of the north Atlantic area.

I take it that that means briefly just two things. First, we have undertaken self-help. That means the defence of Canada. We are going to look after our own borders. Second, it means that we have undertaken to take such action as we ourselves believe to be necessary for the common defence of the north Atlantic countries in the event of an attack upon any one of them. Only under these circumstances do we agree to pay any attention to what we might call mutual defence, other than protecting our own borders. It seems to me that this concept, and our entire defence planning, must be materially altered by the decisions which were taken in London last month, as set forth in the speech made in the house on Monday last by the Secretary of State for External Affairs.

In connection with what the Secretary of State for External Affairs said about defence particularly, there are these three short sentences that I should like to read; they are to be found at page 3189 of *Hansard*:

> We have adopted the principle of "balanced collective forces" as the basis for our defence.

[Mr. Harkness.]

That is for all the north Atlantic countries, and he was speaking in the house particularly so far as Canada is concerned. Further on he said:

> We shall try to agree amongst ourselves which of us is the best able to concentrate on certain types of defence preparation.

I take it from that that each of the countries in the North Atlantic pact is going to concentrate on certain types of defence—to specialize on them, one might say. I take it also that Canada must follow that line and specialize in some certain line of defence, or at least direct the major portion of our defence effort to a certain line or certain lines of defence.

Then, a little further on—and perhaps this is the most important observation he made—the minister said this:

> North Atlantic strategy cannot mean, and our agreement does not imply a strategy of liberation after destruction and occupation. There could be no hope for Europe in that strategy, because the next time there may well be nothing to liberate.

That means that the strategy agreed upon would be such as to prevent the overrunning of western European countries by the forces of Russia. It is of course obvious that in order to do that, the countries of the North Atlantic pact must have forces which can go in and stop any Russian advance over those countries. If we in Canada have any definite commitment to put that strategy into effect—and from the speech of the Secretary of State for External Affairs I take it we have—this means that we must have forces which could be thrown into the struggle immediately.

We have abandoned the concept, which the Minister of National Defence has expressed before, that we have a small permanent force capable of meeting any diversionary raids which may be directed at our country, and looking after what might be called limited local defence; and, in addition, we were to have a framework upon which we could build up comparatively large forces which we could then send overseas in the general defence of western Europe.

If the new concept in strategy placed before us on Monday means anything at all, it must mean that in future we must have forces which can be dispatched at once. It would seem to me that the only forces which we could throw into action immediately would be air forces. Therefore, to a much greater extent than we have done up to the moment we would have to concentrate upon the development of our air arm. In addition I should think it would mean that if we are going to make to general western defence

a contribution commensurate with our ability, we would have to have a considerably larger number of air squadrons. Otherwise we could not make this initial effort which would be required.

Further, it would mean that the only other type of force which could be thrown into action immediately and effectively would be specialized armoured forces, so far as land forces are concerned, and especially airborne forces.

I suggest that the minister should make some comment on what this new strategy of defending western Europe from invasion, rather than liberating it afterward, would involve in our defence planning. What changes in our defence program are going to flow from this change in strategy? If we are to have a great deal more equipment capable of being thrown in immediately when required, it would cost us a great deal more money. This year we are being asked to vote very large sums for defence; but if the new strategy is to be followed effectively by us, then we shall probably be required to provide much larger sums to implement our part of the program.

There is one further point I should like to make in this connection. One of the most important considerations in the strategy set out by the Secretary of State for External Affairs for the protection of western Europe is what is to be done with western Germany. Russia is now arming the Germans in the Russian zone of Germany. In my opinion the decision is squarely up to the Atlantic pact nations to do the same thing in the western zone or, if we are not prepared at the present time to arm the Germans in our zone, we must accept the proposition that none of the western zone of Germany can be defended. We shall have to write it off in the beginning as an area to be overrun by the Russians, in the event of war with them.

Personally I think it is also extremely unlikely that, without the armed manpower of western Germany, any of the western European nations with the exception of the peninsulas—Italy, possibly, and more likely Spain, and of course Great Britain because of her island position—could be held successfully. But apart from those countries it would seem to me most unlikely that the North Atlantic pact countries, as the strategy enunciated suggests, could be saved from occupation unless that large pool of manpower in western Germany is utilized.

I should like to know whether this aspect of the matter has been considered in formulating our defence policy, and what the conclusions have been with respect thereto. I know that this whole question is a very thorny one, concerning which most governments in western Europe do not wish to commit themselves, because there is still a large body of opinion mortally afraid of a rearmed Germany. However, in my view this is one of the most important questions to be faced—indeed, perhaps the vital one—if this new strategy is to be carried into effect.

If our government has any opinion in the matter, then we should be told about it in the House of Commons. If our military leaders have anything like the view I have enunciated, we should be told. If they do take that view, then we as a country should be prepared to press for its adoption. Someone has to take the lead in these matters, and, well removed from Europe, without any undue internal difficulty, we could quite readily take that lead, whereas, in a country like France the internal difficulty would be much greater.

This year the estimates were introduced early—and it was a good move. I had hoped that when on March 17 we began a discussion of the estimates of the Department of National Defence, such discussion would be continued shortly thereafter so that the entire estimates of the department might be dealt with more or less as a whole instead of having them broken up. But we find that this year the same thing is happening that has happened every other year I have been here. Almost three months has elapsed since the defence estimates were last discussed. We are now proceeding to consider them under circumstances which the minister described as terminal pressure. He tried to refute the statement made, I believe, by an hon. member in this party, that the defence estimates have always been considered right at the end of the session when there has been no time to deal with them properly. He made a lengthy statement which is to be found at page 755 of *Hansard* of March 14. At that time he indicated on what dates the estimates had been dealt with. I looked up those dates and compared them with the closing dates of the sessions, and I found that in each case these estimates had been considered a short time before the end of the session, and at a time when we were sitting, as we are now, in morning, afternoon and evening, with the committees sitting as well. I hope the minister will not try to argue that we are not under terminal pressure at the present time; we are under considerable terminal pressure. The suggestion this year that the estimates, particularly those of this department, which was the first one to be introduced, would be dealt with before the terminal pressure came on, when we could take the time required to deal with them without difficulty, has not

been carried out. We are faced with the same situation as that with which we have been faced every other year.

This year the expenditures under this department are lumped in two large items which are the only items that really amount to anything. The first item covers all expenditures for the army, navy and air force, while the second item covers defence research and development. I referred to this matter last year, and asked the minister to consider introducing his estimates in the same manner as those of other departments, and in the same manner as they were presented before the war and even during the war. This should be possible now that the war has been over for some time and the rehabilitation and reorganization period is almost completed. These expenditures should be broken down into separate items instead of being lumped together.

This method of indicating the expenditures does not present as good a picture to hon. members as would be presented if the estimates were shown in the ordinary way. It does not show how many people are employed in the different branches, what their jobs are, and so forth. There is a certain breakdown in the back of the book, but it does not give any of this information. As a result it is much more difficult for members to know just how the money is being spent by the Department of National Defence, and it becomes necessary to ask many more questions and take up more time than would otherwise be taken.

Last year the minister said that serious consideration would be given to breaking up the estimates for the coming year, but nothing has been done. I ask once more that this be done in the future. I see no reason why it should not be done in this department as it is done in the other departments. Unfortunately there has been a tendency throughout to give as little information as possible in regard to this department. The minister has maintained consistently that that is not so, but everything points to the fact that it is.

I should like to say a word about recruiting. When the minister was speaking in the debate on the proposal to set up a committee on national defence he said, as reported on page 758 of *Hansard* of March 14:

> I believe it was the hon. member for Calgary East (Mr. Harkness) who said that if a committee were established it would help recruiting. Our recruiting for the active forces, the navy, army and air force, does not need any help. We are getting all the men we want. They are first-class men of fine character.

I was surprised to hear the minister make that statement. I should have thought he would have been glad to get all the help he could. I was particularly surprised at the statement because at that time, and I think this still applies, the minister was carrying on an extensive advertising campaign for recruits. There was also a radio program, about which the hon. member for Temiscouata made quite a lengthy speech. I heard it myself at various times. Large advertisements were carried in the newspapers, and so on. All this must have been very costly, and when we are dealing with the details later I shall want to know what this campaign cost.

In view of the fact that this advertising campaign was going on at the time, it was surprising that the minister should say he did not want or need any help in the matter of recruiting, that they were getting all the men they wanted. If that was so, why were they putting on this extensive advertising campaign? I do know that a large number of the reserve force units require men, and in that connection I think the minister should welcome any help.

Mr. Claxton: Of course I do.

Mr. Harkness: You said you did not.

Mr. Claxton: That was in a different connection.

Mr. Harkness: I made the suggestion that the Prime Minister and the minister should make special appeals to people to join the reserve forces, and I still think that that is a good idea.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Harkness: Mr. Chairman, when the committee adjourned at one o'clock I was dealing with certain points covered in the speech the minister made on March 14. Before going on with that I should like to revert for a moment to a matter I dealt with earlier.

Speaking of the strategic concept adopted by the Atlantic pact nations at London last month to prevent the occupation of western Europe by Russian forces in the event of war, I overlooked one point which I should like to mention now. While the utilization of German manpower and fighting capabilities is, I think, the crux of carrying out such a policy and making it effective, the absence of Spain from the western military bloc is a serious defect. Up to the present time ideological differences between that country and the democratic countries of western Europe and North America have prevented the military co-operation that is desirable. I do not think ideological differences should

any longer prevent us from securing the advantages which close co-operation with Spain in western defence would bring about.

During the war we were very glad of Russian aid when fighting for our survival against Germany. The question of ideological differences between us and the communist countries did not enter into the picture at that time. With the situation we now face of extreme danger from Russian imperialistic ambitions I think the same attitude should be adopted and that steps should be taken to make Spain and its resources available to the western powers. If it were impossible to carry out the strategic concept of preventing the occupation of the other countries of western Europe, possibly the one country which could be defended and kept as a bridgehead in Europe is Spain. In the over-all strategy of planning for defence it seems to me a most important matter that steps should be taken at the present time to put Spain in a position to contribute materially toward that end. For example, there should be large airfields constructed in Spain from which our air fleets could operate, and also strategic roads leading to the border. This matter should receive careful attention from the Atlantic powers generally and our own defence administration. They might put forward that point of view, if it is agreeable to them.

With reference to the minister's speech of March 17, he mentioned that standardization of battle procedures and organization was going forward. When he speaks later I should like him to tell us exactly on what basis that is taking place. Is standardization general throughout the Atlantic pact countries, or is it a matter on our part of standardization with the United States forces, and the adoption by us of their battle procedures in lieu of the British battle procedures which so far we have used? The minister said at the same time that standardization of equipment was necessarily slow, and I can see that would be so. I should think the amounts of military equipment now being shipped and about to be shipped from the United States to European countries would speed up that process to a considerable extent.

The minister made note of an offer on the part of Canada to train officers from other countries on somewhat the same basis as the empire air training scheme. Provision is to be made for the training of 150 ground officers and 100 air officers of other countries. I think that is a good move in the direction of standardization, but actually it is a very small one. When he is dealing with this point it would perhaps be of interest if the minister could tell us how many Canadian officers are receiving training in other countries at the present time, and what their services are.

The minister also made a statement in connection with the successful development of a Canadian jet plane, the CF-100. I am sure his announcement was received with great satisfaction by everyone in the house and elsewhere in Canada. Personally I am very happy that we are now producing a really up-to-date jet military plane. I trust that production will be sufficiently great that we shall be able to put large numbers of these machines into service in the near future.

The minister gave an interesting account of Exercise Sweetbriar. I am sure the committee was pleased to hear his report. He said that in our northern areas defence forces have the advantage, but in order to make that advantage effective they must be able to prevent the leapfrogging of the enemy from one airfield to another. That suggests to me this question. Have we the air force, the airborne infantry and other arms to prevent such leapfrogging? In other words, is our mobile brigade group of sufficient strength to do it at the present time, and even if it were at full strength, would it be sufficient to carry out that task?

In dealing with Exercise Sweetbriar the minister also spoke of the need for more tracked vehicles. He mentioned bulldozers particularly, and indicated that probably at least one per company would be necessary. I should like to ask what has been done since that time to provide not only bulldozers but also other tracked vehicles capable of travelling over snow.

The minister said that the target for our forces is to become more and more operational. Of course that is something which we on this side of the house have urged ever since the post-war army was established. I think there will be many questions as to the extent to which it has been accomplished. As I mentioned previously, a reduction in the number of officers and men in headquarters administration establishment and an increase in the number in the fighting units would be an important step in that direction.

With regard to the amount of the defence dollar which is being divided among the three services, there appears to be a discrepancy in the figures given by the minister. He said that in the past year, 1949-50, the air force was receiving 42·6 per cent of the defence dollar, while in the current year, 1950-51, they will receive 44·8 per cent. This statement appears on page 858 of *Hansard* of March 17, 1950. On page 857 of *Hansard* there is a chart which shows the distribution

of the defence dollar. For the year 1949-50 it shows the air force receiving 38·8 per cent rather than the 42·6 per cent the minister mentioned, and for 1950-51 it shows the air force receiving 40·6 per cent rather than the 44·8 per cent. I should like the minister to explain that apparent discrepancy.

During the course of his statement the minister said that over one-half of the army brigade group were now tough, trained soldiers. That statement does not mean very much unless we know three other things. Is this half the present strength of the brigade group, or is it half the authorized strength? If the latter, is the authorized strength at the present time the full strength for the brigade group? Until we know those things, this general statement that over half the brigade group are tough, trained soldiers does not mean very much. If it were the first case I mentioned there would be a smaller number involved than if it were the last. I should like some further light on that point.

There was a statement that defence research was carried on on an increased scale during the past year. No details were given to indicate on what line defence research was conducted, what increase there may have been, or anything else. I think the committee is entitled to a full explanation. We all agree that defence research is one of the most important bases of national defence at the present time. So far as I have been able to observe in the house, it is a phase which there has been no disposition to cut down at all. The disposition has been the other way, to increase it.

The minister also made a brief statement about civilian defence planning. He said that it had progressed satisfactorily and had finished at the federal level, I think it was, or something to that effect.

At page 859 of *Hansard* of March 17, 1950, the minister stated:

> In civil defence we have completed the stage of planning at the federal level. Civil defence depends on close co-operation with the provinces, the municipalities and other agencies at every level. Following earlier preliminary discussions we are now in a position to make further progress.

I believe the minister will recall that I have spoken on this subject at length in each of the past three or four sessions. I believe that civilian defence is, in some ways, more important than any other phase of defence activities or defence planning. The statement that in civil defence we have completed the stage of planning at the federal level does not convey a great deal, and I should like to know what it implies. I know that General Worthington has been active for some time, and I noticed that the Secretary of State tabled a report on civil defence planning this morning. I have not, of course, had time to look at that report, but I shall be interested in doing so. The floods at Winnipeg and the fires at Rimouski and Cabano impressed upon all of us the desirability of having some sort of civilian defence set-up which could be used in such emergencies, quite apart from the extreme need for civilian defence in the event of war.

The minister said that the effective revival of the Hyde Park agreement had been advocated by Canada in order to enable the Canadian and United States forces to buy equipment from each other. I was glad to see an announcement in the press that some arrangement had been made which would enable the United States and Canadian forces to purchase from each other. Perhaps the minister can indicate what general types of equipment we shall produce in Canada and sell to the United States under that agreement, and what material we shall be purchasing from them.

We are being asked to vote large sums for defence. There is an amount of $425 million to be spent this year, but that is only part of the picture. So far as I can ascertain from a study of the estimates, there are further commitments amounting to nearly $200 million, so I think the total amount which we are being asked to vote for expenditures this year, or commitments in future years, is closer to $625 million rather than $425 million. In view of these large proposed expenditures this house should be given the fullest information as to how the money is to be spent, and particularly whether we are getting value for it. This involves, of course, being given information as to just what we are getting for the money expended; whether the expenditures will provide the defence necessary to look after this country, on a minimum scale of course. Everyone recognizes that it is impossible completely to defend this country, and no one dreams of advocating that. We should know whether the expenditures we are making are being made efficiently so as to provide this minimum force which the minister and the government have declared to be necessary. Now that this new concept has been adopted by the Atlantic pact nations, we should be told whether these expenditures are being made in such a way as to enable us effectively to play our part in carrying those plans forward.

Mr. Gillis: Mr. Chairman, in the observations I shall make on the defence estimates I shall be speaking as an amateur. Indeed, I do not think there is anyone in the house today who can consider himself an expert on what our naval, military and air force

tactics of the future should be. I do not think we have a yardstick by which we can measure that.

I agree with what the hon. member for Calgary East had to say about the matter of expenditures. They should be broken down. We should have some idea as to what portion of our defence estimates are allocated for this, that or the other purpose. His whole talk this afternoon, however, to my mind was definitely based on war and not on defence.

As I see it, the objective of the United Nations, and the main objective of the North Atlantic pact, is to build machinery which would be ready to meet any potential aggressor; but that machinery is not being built for the purpose of carrying on a war. Its main purpose is the prevention of war. In discussing international affairs in matters of defence we have to be careful not to lend fuel to the propaganda machine that is operating both in the United States and in Canada, and largely throughout the world, and make it possible for anyone to say that we are engaged in an armaments race for the purpose of making war in the future rather than in efforts to prevent war. Our language will have to be temperate.

I am a bit disturbed myself about all the emphasis that is given these days to military matters, war, and the possibilities of war, and the slight attention that is paid to the only instrument, in my opinion, that can prevent war in the future, namely, the United Nations itself. From what I have been reading in the press and have been hearing in the discussions in the house in the last few days, my impression is that we are getting away completely from the United Nations as an instrument of preserving peace in the future; and in my opinion, that is the only body that can preserve it. Unless we can get together there, fully implement the terms of the United Nations charter, and negotiate and iron out around the conference table matters of international conflict, I believe that we are headed for something that we may not be able to control.

I do not think there is anyone inside or outside of this chamber who can offer a valid criticism of the North Atlantic pact. We accept it as an outgrowth of the United Nations. The United Nations charter provides for regional pacts where they are desirable and necessary; and there is at this time no doubt about the North Atlantic pact being necessary. It is a "must". But that machinery, so far, is in the embryo stage. There is nothing concrete that one can fasten on. They have had a meeting. They decided on certain economic and military commitments, but they are not definite. The principle is right, and as such we shall have to support it and pay our share. Farther than that I am not prepared to go.

I think there are a great many difficulties in the world that we shall have to understand; for example, the situation in Germany. In my opinion it is the most explosive point in the world today. While the Russians are building peace fronts and talking about peace all over the world, in that particular section in Germany, in my opinion, they are building a war machine. They are now setting up a force consisting of 50,000 policemen. It is, in effect, an army, with tanks, artillery and all the rest of it. Canada should look at what the United States, Britain and France are doing in that particular sector and see what we can do to help in any way we can. As I say, I think that is the danger spot right now. Unless the situation is handled carefully and the difficulties are ironed out, there may be an eruption.

This afternoon what I want to focus the minister's attention on is not the broad matter of defence, because, as I said, most of us can fasten on to nothing that is concrete at the present time. The minister has nothing in history that he can use as a measure for the purpose of instructing his officials. I think if we vote the money, get an accounting of it as well as we can in the committee, and have some dependence on and confidence in those who are going to spend it and handle it in the future, with the minister as a contact between us and them, that is about all we can do at the present time.

What I want to talk to the minister about is a matter that we can do something about, and it has defence implications. In the house a few days ago I asked the Minister of Trade and Commerce a question with regard to the naval air base at Dartmouth, Nova Scotia. According to press reports it is not in good shape. The Minister of Trade and Commerce at that time passed the question on to the Minister of Transport. The Minister of Transport took a look at it and said: "It belongs to the Minister of National Defence". I think that is one good argument for taking away from the governor in council some of the responsibility for decisions that can be passed around from one to the other, and for pinning it on someone specific. This particular question has to do with all three departments. I am going to talk about the part of it that comes within the scope of the Department of National Defence.

As the minister knows, in defence matters pertaining to Canada, Halifax area is a fairly strategic spot. It contributed greatly to the carrying on of the last two wars. The only airport in that whole area today is the one

at Dartmouth; and it is a naval airport. T.C.A. uses it for some small aircraft, the ones that they can land. The DC-3's I think are the only T.C.A. aircraft that can land there. The matter has been under discussion for over a year. The city of Halifax wanted to know from T.C.A. what they were going to do with regard to providing in that area facilities that could be used to land the North Star, for example, and put the port on the map from the standpoint of air service. The Minister of Trade and Commerce visited the area, and his opinion at that time, as expressed in the press, was to the effect that it would be better to spend a few million dollars expanding that naval station at Dartmouth so that it could be used for the dual purpose of defence for naval purposes and of providing T.C.A. facilities at that point. That was a year ago. Nothing has been done about it since. The question was raised again as late as the end of May of this year. The Halifax members were actively interested in it, according to press reports. An examination of the situation was made. For the minister's benefit I want to read something that was said by a member of the flying patrol division in that area. This is from the Halifax *Mail-Star* of May 25, and it is official; that is why I am going to read it. I quote:

> Information about the present condition of the runways was offered by Lieutenant D. M. MacLeod, senior flying control at the Dartmouth naval station. "The runways are breaking up," he said. "Right now water is coming up through the tarmac, which is caused by the subgrade breaking down."
>
> He said all four-engined aircraft were included in the 60,000-pound ban, with the possible exception of Lancasters. Constellations which have used the base from time to time have a gross weight of 74,000 pounds, and the United States strato-cruiser which landed there about a month ago weighed 120,000 pounds.
>
> "The runways were originally built to handle 65,000 pounds," the lieutenant continued, "and the present ban is to prevent the runways from cracking up entirely."
>
> If the runways were further damaged, a serious landing accident could occur, he said.
>
> "It's to prevent this, and the cost of reconstructing new runways, that the ban has been placed in effect," he concluded.
>
> The proposed weight ban would have no effect at present on Trans-Canada Air Lines operations out of Halifax, T.C.A. officials said.
>
> At present T.C.A. are using the DC-3 passenger types which have a gross weight of 26,000 pounds when fully loaded.

That report from an official of the naval section paints a pretty bad picture of that particular station in Dartmouth. The runways are cracking up. Despite the fact that an active investigation has been carried on into the matter for the past year, so far nothing has been done with regard to expanding that Dartmouth station, or coming to the conclusion that a new station, particularly for the T.C.A. services, is to be established in that section. I am afraid this is another indication of no thinking in the matter of services east of Montreal. Halifax is one of the major cities in this country. It has been used very extensively in both wars for defence purposes. Apparently both trade and commerce, T.C.A. and national defence have written off that area at this time because a couple of million dollars would have to be spent in building or expanding the service there.

There is a large number of personnel at that point; it is strategic in relation to the European continent and to Europe. So far as I can see now, there are no facilities and no thought of any in relation either to defence or to general services by air, in the minds of any of the officials of the government.

In view of the fact that the Department of National Defence proposes to spend $419,985,500 this year, and in view of the importance of that section and the condition of that particular airport, which is a defence airport, and the lack of thinking by other departments which have already expressed an opinion on the matter, I expect the Minister of National Defence to make a definite statement, before his estimates are carried, as to what he is going to do with the naval station in that particular section.

I should like to refer to the matter of recruiting. The hon. member for Calgary East said that the minister made a statement some time ago to the effect that they were getting all the recruits they needed in the services now. That may be true. But I think that with the standards they have in all three services today it is not so easy to get recruits. I have had a good many representations from boys who were in the services in the last war, who came out medically fit, who made a good contribution during their service, and who could not find employment after they got out of the service and who made application to go back in. They then had to take an educational test to get into any branch of the service, and they found they did not have the necessary basic education, and they could not get back in. If a war broke out these boys would be accepted.

During the last war, when an emergency hit us and we were in a hurry for recruits, we found that the physical condition of about forty-five per cent of those who tried to enlist was a pretty sorry indictment against us. In addition to that, from coast to coast there was such a high percentage of illiteracy among the young service personnel coming into the forces that the Department of National Defence was compelled to establish a school at North Bay where these young

boys were taken in and given a pretty thorough basic education in a short time. The whole curriculum was short-circuited in order to give them the necessary mechanics to understand map reading, gun laying and all that kind of thing. I suggest to the minister that one of the main defence preparations today should be an effort to see that our young people are qualified technically, and properly fed so that they will be physically fit when they come in.

The minister and his department should take another look at the number of applications that have come in from young men who want to get into the services but have been rejected because they have not the necessary basic education. Then, of course, we have to keep in mind the high percentage of young fellows who came out of the services at the end of the last war, but were not in a position to take advantage of even the vocational training supplied by the government because they did not have the necessary basic education. This is one matter that we should take a look at before we get into difficulties, because the condition of the world today is such that we cannot take chances. It may be too late to wait until you are hit in the nose before you start doing something about defending yourself. The general world condition, from the standpoint of possible war, is such that we should be building up the reserve army to the greatest extent possible. We should at least be giving, to those who desire to take it, the necessary basic training so that in the event of an emergency they will be called in with some knowledge of what is expected of them.

I think the policy adopted by the department shortly after the war is the correct one. They are building up a hard corps of well-trained personnel. They are keeping them in camps at strategic spots across the country. That is all to the good. That is what should be done at this time. In addition, emphasis should be placed on the reserve army, to see that in the event of an emergency, as many as possible have the necessary basic education in military matters. Next time it may be a matter of having to defend yourself, whether you like it or not. Everyone who is thinking at all will agree that if another war breaks out we shall be the Belgium of that war. It will not be a matter of going thousands of miles to get into the fight. You may find yourself in it overnight.

As I said, we hope that the formation of the North Atlantic pact, along with co-operation in economic and military spheres, tied in with whatever efforts we can make through the United Nations to fight to the last ditch in preserving peace—if that is possible—will keep the peace. If it is not possible, and we are forced into war by an act of aggression by the only country in the world today that is in a position to commit an act of aggression, then everyone in the country should be prepared to understand that situation and should be equipped so that we may be able to make the best possible fight under any circumstances.

My particular reason for rising was not to lecture the minister. I am prepared to pass these estimates. I have met some of the officials of the Department of National Defence. In those I have met I have confidence. The minister is here to be questioned at any time, and I think most of us have confidence in his ability and integrity. I rose this afternoon only to focus his attention on something concerning which he can take action; I refer to the naval station at Dartmouth.

Mr. Coldwell: Mr. Chairman, I take this opportunity to draw to the attention of the minister and the committee some matters in connection with the Department of National Defence which, I think, should receive some consideration. The point I am about to raise is one which affects not only this department but some other departments of government as well.

I have been interested in the case of a young airman whose name, for obvious reasons, I should prefer not to give. This young man was dismissed from the air force some time ago, apparently because of some charges made against him to the effect that at some time during his earlier life he had been connected with the communist party.

It so happens that I have known of this family for about forty years. It is a Roman Catholic family living in the province of Saskatchewan. The young lad to whom I refer was for a time a student in a Roman Catholic institution. That in itself is something by way of background that should reinforce what I am going to say. After serving several years in the R.C.A.F. this young man was suddenly let out—and he was let out under a cloud. He has never seen any charge made against him, and therefore has never been given an opportunity to endeavour to refute such charge.

So far as I am able to understand, some thirteen or fourteen years ago, during the period of unemployment, when protest meetings of all kinds were being held across the country, this young man attended a meeting —perhaps it was two meetings—in Regina of unemployed young men. When he discovered that the purpose of the meetings was to recruit young men for service in Spain, and to join the communist party as it was then, he went home and had nothing further to do with the matter. So far as I

have been able to find out that is the only action that gave rise to suspicion concerning his associations. I know of no other.

I may add that Mr. Douglas, premier of Saskatchewan, has been acquainted with the family for the last twenty years, and perhaps has seen this lad and the other members of his family more recently than I have. But the point I make is this, that when any person in any public service is placed under a cloud and under suspicion, in a democratic country he should at least have the opportunity of knowing what the charges are against him. My criticism of the department is that, in this case, although they have been asked to state what the charge was, this has never been done and, so far as I know, no one has been given access to any of the information.

I have been keenly interested in the case and have gone so far as to suggest that if I could be given an opportunity to see the evidence and to be satisfied in my own mind, I was quite sure I could satisfy Mr. Douglas and that I could either give my word that the dismissal was deserved or, if it was not, ask the minister to look into the matter further. I know that even during wartime, when matters of a confidential nature arose concerning men in the air force, the minister's predecessors—and I am thinking particularly of the former minister for air—had no hesitation in trying to satisfy any member of parliament who was interested in a case that the action taken had been fully justified, and that there had been good reasons for taking it.

I have known the minister for a number of years. I have known him to be most insistent upon civil liberties, and it has been most difficult for me indeed to understand how this could happen under the minister's administration. I rise this afternoon not only in the interests of one young man who may or may not be guilty, and who may or may not have deserved dismissal from the armed forces. I raise the matter because, speaking generally, there is no opportunity in other departments for an accused employee to have a review of the accusations made against him.

We pride ourselves on our democratic traditions, and on the fact that to a large extent our parliamentary institutions are a reflection of the age-old institution of parliament in the United Kingdom. There a most careful screening is made, although mistakes occasionally do occur. However, when an individual is charged the minister receives advice from a competent and trustworthy committee to which the accused may appeal. While the committee has no power to reinstate or to take other remedial action, it can advise the minister who, of course, takes the final responsibility. There is a method of review and appeal. I suggest to the government, not only to the Department of National Defence in which the particular case I have mentioned falls, but to the government in general, that in cases of this kind there should be an opportunity for an individual to clear his name, if he can.

After all, it seems to me that an accusation of this description places a man under a cloud and makes it difficult for him to find other suitable employment. The young man to whom I am referring was at the beginning of last month among the unemployed and, because of a lack of references and because of inability to explain properly why he had been let out, had been unable to get employment of a kind suited to his particular talents. I am bringing this to the attention of the committee and I do not think anyone who knows my point of view will misunderstand why I bring it to the floor of parliament.

Under the present circumstances I think the government has to be wary. Where you have within the country a political movement that is the agency of a foreign power you cannot be too careful, but in exercising that care equal care should be taken that no injustice is done to any individual. Under our traditional democratic rights, according to our idea of justice, a person who is accused should have at least the opportunity of knowing something of the accusation against him and be given opportunity to review that accusation.

Mr. Claxton: Mr. Chairman, in view of the fact that the hon. member for Rosetown-Biggar has made reference to a particular case I think I should reply at once. I think he has inadvertently failed to refer to one part of this incident which in justice to myself should be brought up. I am familiar with the case to which reference has been made. It concerned a young airman who was engaged in radar and electronic work and who was screened in the ordinary way. Because of facts that were reported to me it was decided that he should be released from the armed forces. He was not released under a cloud; he was released.

The hon. member for Rosetown-Biggar and the premier of Saskatchewan brought his case to my attention. Rightly or wrongly, not only did I review the case but I gave to the hon. member for Rosetown-Biggar the details of the information upon which a decision was made to release this young man.

Mr. Coldwell: I think the minister is under a misapprehension there.

Mr. Claxton: I have a strong recollection of it and I think as I give the facts the hon. member will recall that I did so. That information included a report which I had to accept that he had been an officer in the young communist party in 1938 and that while he had attended a Catholic college he had been released from that college for political activities. My recollection is that I told the hon. member both those facts.

Mr. Coldwell: Not the first fact.

Mr. Claxton: Perhaps my recollection is not correct. But we did discuss the matter. Subsequent to the hon. member making his representation I again had a special investigation made by the R.C.M.P. and by another means. On the reports, which I have mentioned, I could not do anything else but release this young man from the services. There was no finding of guilt.

I had the responsibility of deciding whether or not the circumstances were such that it was in the interests of the safety of the country that he be continued in a special kind of employment. It is interesting to note that about the time of his release this young man applied for employment with the national research council in similar work.

Here there was an honest division of opinion between the hon. member for Rosetown-Biggar and myself as to whether I should have acted on the information. I felt that I had to act. I did not like assuming that responsibility, but I did not see what else I could do. The hon. member for Rosetown-Biggar and the premier of Saskatchewan took a contrary view. There was that difference of opinion. As to how such a difference is to be resolved would involve matters far outside these estimates. The possible desirability of having some special machinery for review is a general question far outside the scope of the Department of National Defence. On the present basis of responsibility the minister must decide on the reports made to him.

I should say that the hon. member for Rosetown-Biggar is completely correct in his assurance of complete fairness and disinterestedness and desire to serve the public good. This was shown when he brought another case to my attention and when I gave him the facts he was completely satisfied. Certainly he never brought it to my attention again.

Mr. Coldwell: I was quite satisfied.

Mr. Claxton: I assumed that that was the case. I thought that I had given the hon. member for Rosetown-Biggar the information he wanted. In one case he was satisfied, in the other case he was not. But it was an honest difference of opinion and I do not see how else I could have acted.

Mr. Coldwell: The minister brings to my attention that this young man was at some time an officer in the communist party.

Mr. Claxton: In a communist group.

Mr. Coldwell: That is certainly news to me; that is something I was quite unaware of, and the minister could not have mentioned it. As far as political activities go, I think I know what they were. I believe they were in connection with the C.C.F. movement some years before. I do not think anyone can accuse our movement of having any relationship with the communist party. The fact is that this young man was expelled or threatened with expulsion from an institution which he was attending along with some other young men who had formed a C.C.F. group in the town; this was subsequently the subject of inquiry and, I believe, of disciplinary measures by the superior authority of the institution. I have correspondence to that effect with the superior authority and as a matter of fact was given permission to publish it, which I did in 1934, I think it was. If that is the incident—

Mr. Claxton: I do not know if that is the incident.

Mr. Coldwell: That I think must be the incident.

Mr. Stick: Mr. Chairman, in taking part in this discussion one is conscious of not having detailed information which for security reasons cannot be disclosed. One must therefore necessarily talk in general terms. That defence today is most important to democratic countries who would maintain their free way of life has been amply proven by event which have happened in many countries. General Eisenhower speaking recently in the United States has warned that if we wish to be free we must be strong. I quote:

> General Eisenhower said last night that the United States has slashed her armaments below the danger point in a world that has not yet attained true peace.

And again:

> But until true peace is attained, the soldier-president of Columbia university declared, weakness in the face of soviet strength is "well-nigh as criminal as war itself."

And again:

> Plainly referring to Russia, Eisenhower declared that when even one power "builds and maintains a military machine beyond the recognized needs of reasonable security, a war of aggression remains a constant threat to peaceful nations."

And again:

> "Let us not delude ourselves that, in 1950, establishment of real peace is merely a matter of 'very important personages' signing papers or 'talking tough' in Paris, Geneva, Washington or Tahiti—"

And again:

"No sane man will challenge under the present circumstances the need for defensive strength designed to secure against internal or external attack the independence and sovereignty of a free state," he added. "But the continued existence of even one purely defensive force—a force of which there is no apparent need based in the logic of self defence—denies enduring peace to the world.

Those who have spawned such a force must either eventually destroy it by demobilization and find justification for the heavy cost already laid upon their people; or use it, tacitly or actively, as a threat or as a weapon. There is no middle course."

It is sad to think that after two terrible wars fought for the preservation of our free way of life we have to spend $425 million or more this year on our armed services which could be spent much more profitably in developing our great natural resources for the betterment of the people of this country and of all mankind. To such a state has this world now come. Truly it can be said, "Those whom the gods would destroy they first make mad." The honourable and gallant member for Nanaimo has spoken of the differences that exist in the higher command regarding which branch of the services needs priority of development. It is fitting that this should be brought to the attention of the house, and I do not propose to question the hon. member as to the source of his information. This difference of opinion amongst the higher command is not new. Those who have read military history know that such things have existed in all ages. In recent months we have had the spectacle of bitter differences of opinion between the United States navy and air force over which arm of the services will be most effective in modern warfare, and this wordy warfare still continues. It would be strange indeed if something of this struggle did not affect the thinking of Canada's higher command.

Therefore I am not unduly alarmed at such differences of opinion provided these officers are imbued with a high sense of their responsibilities, which I believe they possess, and their differences are animated by a sincere desire to serve the best interests of their country.

Since we evidently cannot develop all our services sufficiently to meet all our requirements, it may be necessary to give priority to one branch. This must be done by taking all the factors of defence into consideration. For myself I favour the air arm of the services for the following reasons: To those who have studied the lessons of the last war it must be evident that without air superiority armies are very seriously handicapped. It was the German command of the air that caused Poland to collapse so quickly. It was the same in the German break through to the channel ports. It was the German air force that captured Crete. It was this same force that prepared the way for the German armies in their advance into Russia, and it was only after the Russian air force became at least equal to the enemy air force that we saw the tide of war turn in that country. We would never have landed successfully in Normandy without command of the air, and it was that same superiority that made the break through possible.

It is the same story in sea warfare. It was the Japanese air force that first attacked Pearl Harbor and sank two of Britain's battleships in the China sea. It was the air arm that, unaided, found and crippled the *Bismarck*. The whole story of the United States naval victories in the Pacific is the story of the naval air arm destroying Japanese fleets almost single-handed. It was the air arm that played a large share in crushing the U-boat menace. I think I have said enough to show why our air force must be developed at all costs. Finally the lessons of Exercise Sweetbriar show that without proper air support you cannot fight successfully in the Arctic.

According to the latest reliable reports Russia has at least 300 modern submarines of the very latest design. When we consider that the Germans began the last war with about 60 submarines, and the great destruction they caused our shipping, the menace from this type of warfare becomes evident. That this is so recognized is demonstrated by the fact that the United States navy is pursuing antisubmarine measures with all possible speed and giving priority to them. We in Newfoundland know a good deal about what submarines can do. Our experience during the last war is not one we wish repeated. I am glad therefore to note that the Department of National Defence recognizes this danger and is building three ships specially designed for antisubmarine work.

It is pleasing to note that recruiting in Newfoundland is going ahead with excellent results. It is especially gratifying to know that the Royal Newfoundland Regiment has been reconstituted and incorporated into the Canadian reserve army. Without in any way boasting, but speaking purely from the record, I should like to tell the house that in Newfoundland we have some of the finest fighting material in the world, whether on sea, land, or in the air.

The times in which we live demand a strong defensive force, and if we are to maintain it in the highest degree of efficiency we have to show our young men that we are solidly behind them in every reasonable way. One of the greatest soldiers of all ages laid

down as an axiom of war that morale is to the physical as three to one. If we are to carry out this great principle we must demonstrate our complete confidence in our armed forces. In this way we can do our part in building that morale which is so essential to any branch of the armed services. Finally I wish to say that the position Newfoundland holds is vital to the defence not only of Canada but of a large part of the North American continent. Canada must also play her part in that defence. Truly it can be said of Newfoundland, in the words of our national anthem, "O Canada, we stand on guard for thee".

Mr. Balcer: In taking part in this debate I should like to limit my few remarks to the present policy of the department in relation to the naval service. During the last war the navy rendered tremendous service to the allied cause. For a while we had the third largest navy in the world, and we had what was then regarded as the best anti-submarine service in all the allied forces. At that time there were 90,000 men in the navy. They were well trained, and we had the equipment to do the job. It was strictly an antisubmarine navy. That was then regarded as the proper policy for the navy, and I think the situation has not changed much as we can see from the various press reports and other information we get about our potential enemy.

We see that at the present time Russia has more fast and well equipped submarines than Germany had before the last war. Therefore it is only natural that we should look to our navy from the point of view of anti-submarine defence, and that we should do everything to make sure that it is an effective weapon in that regard. Unfortunately I think we are not spending the taxpayers' money, so far as the navy is concerned, in the best way we could. At the present time we have one aircraft carrier. It is costing a lot of money for upkeep and necessitates a fleet air arm with proper training stations, equipment and aircraft which are very expensive, and most of which are obsolete. At the same time we have in operation, so far as A.S. ships are concerned, only seven destroyers and four frigates. When an aircraft carrier is at sea during wartime such a ship has to be escorted by destroyers. If there were a war tomorrow one of our coasts would be defended by an aircraft carrier with three or four or five destroyers escorting her. At the same time the other coast would be defended by four or five A.S. ships. A few Russian submarines could attack our shipping lanes, and even our harbours, without much difficulty. In my opinion the money we are spending for a single aircraft carrier is not wisely spent, when one considers that for the same amount of money we could have more fast destroyers, and fast well-equipped A.S. ships, to fight submarines. These vessels could defend both the Atlantic and the Pacific coast lines at the same time, and we would not be in the position where a single torpedo could put half of our navy out of action. I believe this matter should be seriously studied by the department. I hope the minister will keep in mind the tremendous sum of money that has been spent for our single aircraft carrier, and I hope the navy will give careful consideration to these A.S. ships, which would be of vital importance if a war developed between Canada and Russia.

One other point I might draw to the attention of this house and the minister is that the parliamentary assistant to the minister replied to a question by the member for Nanaimo by stating that the cost of keeping up our single aircraft carrier in 1949 amounted to $2,940,000. For the two carrier groups, it amounted to $1,577,000, making a grand total for the carrier operation of $4,500,000. For the same amount I think Canada could maintain a fleet of fast and efficient antisubmarine ships which would give better protection to our shipping lanes.

One other point which strikes me, and I think this house should know about it, is that while the parliamentary assistant was giving this grand total for carrier operations of $4,500,000, the naval chief of staff was in Vancouver. According to a Canadian Press report he stated that the maintenance cost of the aircraft carrier H.M.C.S. *Magnificent* and the navy air arm was about $20 million per year. If the air arm is costing us $20 million, it could mean that we could afford to have even more A.S. ships than if the cost were the lower figure given by the parliamentary assistant, which was only about one-quarter of that mentioned by the chief of staff. We would still be able to do a more efficient job so far as the defence of Canada is concerned. If we decide to have these small A.S. ships, they can be built in Canada. In this way we could help our Canadian shipyards, which did such a tremendous amount of work during the last war, and which have been left high and dry since the end of the war. I believe it would be a good way to defend our coasts, and a good way to spend the taxpayers' money. It would also be a good way to help our Canadian shipyards.

These are a few of the remarks I wanted to make, and I hope the minister will explain to us why there is this apparent discrepancy

between the $4,500,000 that his department gave as the maintenance cost of our air arm, and the $20 million that the naval chief of staff says it is costing.

Mr. Graydon: May I ask the minister one question? Under the recent decisions made at the North Atlantic council meeting in London, as indicated by the communiqué which the minister read to the house some time ago, a permanent deputy was to be chosen by Canada to attend the continued discussions of that council. Can the minister indicate who that permanent deputy is going to be, and, if he is not able to do that, when we may expect the appointment to be announced?

Mr. Claxton: That is really a matter for the Secretary of State for External Affairs but I can answer from my own knowledge that no selection has yet been made, and we do not know when one will be made.

Mr. Fulton: I am sure the committee will appreciate that any member discussing national defence at the present time can only do so on the basis of his own information, and it is extremely difficult to form any sound opinions in view of the extremely rapid changes which appear to be taking place in the over-all picture of defence policy, particularly with relation to the Atlantic pact conference in London. I am sure the minister will appreciate also that in the remarks which I, at any rate, will make this afternoon, although it is difficult to discuss matters of this kind and not to make a statement that at least appears dogmatic, whatever the result may be I am not trying to criticize his department but desire to secure an understanding of what our policy is. As I said, I do not wish to be critical, but I must say that I for one find it most difficult to get a clear picture of our defence policy, or whether any decision has yet been made as to the over-all constitution of our forces and the clear role which they are to fulfil, particularly with respect to joint Atlantic defence. It has not been made clear yet whether we are able to outline a policy of building up forces in accordance with a set design which is clearly formulated in the minds of defence officials. It is the answer to those questions which has been concerning me, and the questions which are raised by that consideration which I should like to discuss.

In approaching the matter this afternoon I shall confine my remarks mainly to an attempted analysis of the statements made from time to time by the minister and suggestions as to what it seems to me those statements mean, in the hope that if my analysis is wrong the minister will correct me and that, in the process, we can get some indication of what our policy is. In his statement made on March 17 this year, when he introduced his estimates, the minister dealt first with the meetings of the Atlantic pact countries. At page 851 of *Hansard* he is reported to have made the following statement:

> The defence committee meeting at Paris received reports on this work and arrived at unanimous agreement on the following:
>
> 1. A strategic concept for the integrated defence of the north Atlantic area.
>
> 2. The means to be taken to arrive at a program for the production and supply of armament and equipment.
>
> 3. Co-ordination of planning between the various regional groups.
>
> 4. Additional steps to further defence planning of the North Atlantic treaty organization.

Then he went on:

> Since the Paris meetings, further action has been taken in the various regional groups.

As the minister himself pointed out in the course of the next few paragraphs, work in the north Atlantic group was being continued permanently and further meetings were taking place later that month. He himself left during the month of March for meetings of the military committee and the defence committee at The Hague on March 24, 27 and April 1 respectively. Those meetings were held subsequent to the minister's statement, and I should like to ask him whether he is able to tell us what has been done with reference to the four headings he gave us on which he said unanimous agreement has been reached.

As I read them, those four statements are merely over-all statements of policy. What I should like to know is whether the defence committee of the Atlantic pact nations has been able to agree on any concrete measures by means of which to apply its policy; and particularly I should like to know if the minister can tell us in at least a general way what has been done to implement the decision he has referred to under item 2, namely, the means to be taken to arrive at a program for the production and supply of armament and equipment. It certainly appears that one of the most important decisions to be taken and then to be implemented is on this question of the unification of our arms production program. If the minister was able to say in March that agreement had been reached at that time on the means to be taken to work out a program for the production and supply of armament and equipment, I hope that he can tell us now what steps have been taken as a result of that decision.

On several occasions the minister has told us in the house that Canada has not yet

accepted any formal commitment under the North Atlantic pact and therefore that he could not tell the house what was the role of our armed forces with respect to the pact. He has also, however, told us on several occasions the role of the various elements of our forces with regard to domestic defence. I hope that he can now perhaps carry the picture a little bit further forward and take us with him in telling us whether, as a result of those meetings at The Hague and the recent meetings in London, we are any closer to getting a picture of what is to be Canada's role under the integrated defence program of the Atlantic nations.

I refer there, of course, particularly to the communiqué issued after the London meeting and referred to by the Secretary of State for External Affairs the other day, when it was said that a decision had been arrived at to the effect that rather than each country of the pact having its own completely balanced forces of army, navy and air force, there should be joint balanced forces, with each of the member nations contributing that portion of the forces which its own position best qualified it to contribute. I am wondering therefore whether the minister can tell us whether any decision has been reached with respect to this country, as to what part of the joint Atlantic community defence forces will be Canada's main contribution. I use the phrase "defence forces". I realize that it might possibly be held that Canada's main contribution is not in the way of armed forces alone but rather in the way of armament, equipment and research. But I am using the phrase, in asking what contribution Canada is to make to the joint defence forces, I hope in a sense broad enough to include the question of armament production and research.

Coming to the question of immediate domestic defence, I should like to ask the minister whether he can give us any assurance or reassurance about what is being done to provide adequate defence for Canada's Pacific coast. The hon. member for Nanaimo —I realize that his opinion may not be fully shared by the minister, but I certainly do not hesitate to quote it as a qualified opinion— has stated in debate on this subject in recent years that there was a large defence gap on the Pacific coast, and that that defence gap consisted of Canada's British Columbia coast. I do not think that the point raised by the hon. member for Nanaimo at that time was fully or completely answered by any of the statements made since. The remarks just made by the hon. member for Three Rivers seemed to me to reinforce the argument which the hon. member for Nanaimo had advanced on previous occasions. In his statement on March 17 the minister gave us the present composition of our naval forces. This may be found at page 859 of *Hansard*. He stated:

> In the R.C.N. we shall have in commission on the west coast the cruiser *Ontario;* the destroyers *Athabaskan, Cayuga* and *Sioux;* the frigate *Antigonish;* the Algerine escort vessels *Rockcliffe* and *Sault Ste. Marie;* the auxiliary vessel *Cedarwood;* and the patrol craft 724.
>
> On the east coast we will have the aircraft carrier *Magnificent;* the destroyers *Micmac, Huron* and *Haida;* the weather ship *St. Stephen;* the frigate *Swansea;* the Algerine minesweeping vessel *Portage;* and the motor minesweeper *Llewellyn.*

In looking over that picture, it seems to me it is obvious that the naval force on the Atlantic coast is a much more integrated force—and I hope I shall not offend any of my friends of the navy because I realize that I am not familiar with naval terminology.

Mr. Claxton: You are doing very well.

Mr. Fulton: It seems to me that it is a much more integrated task force, if that is the correct word, or potential task force than we have on the Pacific coast.

Again to refer to this question of antisubmarine work, my understanding of it is this, although I must confess it has been to some extent shaken at any rate by what the hon. member for Three Rivers has just said. My understanding of the current theory with respect to antisubmarine naval requirements was that the force was built largely around an aircraft carrier, and that the naval aircraft from this carrier did a large part, if not the main part, of the work of spotting the submarines which were to be destroyed. If I am at all correct in that understanding, it would seem to me that we have at least the elements of a composite antisubmarine task force in our Atlantic naval units, but we have not the necessary elements, or hardly any of the necessary elements, on the Pacific coast. Therefore I come back to the question, do we intend to close that gap with respect to our defences on the Pacific, to which the hon. member for Nanaimo referred?

In his review of our domestic defence program the minister did point out that we were doing very much indeed to integrate the active army brigade groups and the active air force training, particularly with respect to northern defence; that we had made great progress in that direction, as shown by Exercise Sweetbriar. Well, no one should in any sense suggest that we should pay less attention to that aspect of our defence program, but I hope I may be allowed to lay before the minister as strongly as I possibly can the suggestion that we on the Pacific coast certainly feel

that our defences in that region should not be neglected entirely as the result of an exclusive or over-emphatic concentration on northern and Arctic defences. I should like therefore to raise the question of the defence of our own installations in the Pacific area.

As the committee may know, the three main ammunition depots on the Pacific coast are in the vicinity of the city of Kamloops. We have the air force depot, the naval magazine depot and the army ordnance and ammunition depot. These are three very considerable establishments. The naval one particularly, I believe, is the largest of its kind in Canada. It does occur to me that in the event of hostilities these would be very likely targets of an attack on Canada. I should like the minister to indicate to us, if he can, without going further than he wishes for security reasons, as a part of the approach to the Pacific defence, what steps or plans are taken in the department for the defence of these three depots.

Dealing particularly with the role of the army in the domestic defence picture, the minister said, as it is reported on page 859 of *Hansard* of March 17:

> The role of the army is equally clear. It is to provide the forces necessary to meet an immediate attack on our country any time and any place. To do this we have organized a brigade group, a highly mobile, hard-hitting unit. More than half of this group consists today of well-trained, experienced, tough soldiers.

I am sure that all hon. members were very glad indeed to hear the minister report that progress made in the training and equipment of our brigade group; but I am reasonably confident that the minister will agree with me that, although this brigade group may be able, as he said, to fill the role which he himself laid down for it, namely, to provide the forces necessary to meet an immediate attack on our country any time and any place, yet it is not sufficient of itself to meet more than one initial attack, and that if the initial attack were multiplied, if it should come in more localities than one, then by its very nature a brigade group would not be able to deal with a diversified and sustained attack. Therefore I hope the minister will agree with me that in so far as Canada's own forces are concerned, to meet that type of attack—and I fully realize that in the event of a large-scale attack we will have to rely on, and would certainly receive the support of, the United States—in considering this problem from the viewpoint of Canada, it becomes obvious that in meeting, ourselves, any large-scale and diversified attack we do need a highly trained and immediately available reserve force in addition to that mobile permanent force brigade group.

[Mr. Fulton.]

Therefore I should like to refer to what the minister himself said on page 859 in analysing further the role of the army. He said:

> In addition to seeing to the immediate defence of our own territory, our forces must act as the organizational and training nucleus for the development of the largest forces we can develop to play our part where they may be needed. A large part of the personnel of the army—all the reserve units and a very large portion, certainly more than two-thirds of the active forces—are concerned with this side of the job.

I would like the minister, if he can, to give us a statement on the state of preparation, the state of manning and training of the reserve army. This may be an exaggerated concept that I am about to put forward, but I think it is the sort of thing we should work toward. That is, that the reserve army should not be the type of reserve army we have had in the past, and I am in no sense attaching any blame to anybody in what I say here. The picture has changed. But I do not think the type of reserve army we have had in the past meets the requirements of today at all. I visualize our requirements as calling for a reserve force in which almost literally every man has his number and his place in the unit and, as it were, his place in the barracks, in stores, and has a rifle and complete equipment, so that the procedure of mobilizing a reserve army and of fielding at least an initial reserve force would not be one of six months but rather of six—I was going to say six weeks or six days—that within a matter of days we would know where each man was to complete a unit, and that each man would have his own equipment allocated so that the man and the equipment could be conjoined immediately and the forces fielded. I realize that is easy to say but difficult to accomplish. I realize too it may involve a higher degree of training for our reserve army, but I hope not a higher degree of training than I visualize.

I should like the minister to make a statement on the present status of the manning, training and equipment of our reserve army, and what program is in mind for bringing that reserve army up to that category of an immediately available field force.

I should like to refer to some of the implications, on the broader basis, of the statement made recently by the Secretary of State for External Affairs and in the communiqué issued following the Atlantic pact meetings in London. Here of course one does get very much into the realm of the uncertain. But the impact of these statements on the thinking of the people of this country has been very considerable. On the one hand, we hear some who suggest that what was done at the Atlantic pact meeting was not more than a

statement of broad general principles of no immediate application. But on the other hand there are those who say, and with a good deal of foundation for their statement, that the decisions taken at the Atlantic pact meeting involved an immediate and very substantial change, or necessity for a change, in our defence policy. If the committee will indulge me I should like to read at some length from a Canadian Press article which appeared in the Montreal *Gazette* of June 7, the day following the statement made by the Secretary of State for External Affairs in this house. The Canadian Press reporter says:

Atlantic pact arms developments in the next few years hold a strong possibility of working big changes in Canada's forces and in plans to send overseas a third expeditionary force mainly composed of infantry in any new war, informed quarters said today.

Within five years, they said, the use of massed infantry could easily be obsolete. Such military efforts as the tight, tough land battles in Italy and the D-day landings in Normandy would be ruled out by the violence of mass destruction weapons.

This trend is of obvious and vital importance in view of Russia's stress on land forces, her almost unlimited ability to reinforce them and her relative immaturity in the scientific and technical fields.

Then the article continues:

Defence officials here—

And this carries a dateline at Ottawa, June 6.

—said scientific advances now are moving towards push-button warfare at a pace which has defence headquarters constantly examining plans and revamping them.

Canada's plans to contribute are largely secret but may, it was learned, lead to loan of scientists, to work on guided missiles and rockets and to use of remote Canadian soil as ranges for testing those developed by Canada or her allies. Some secret projects now are on Ottawa drawing boards.

Then, skipping one or two paragraphs, the article continues:

Mr. Pearson said yesterday the pact's acceptance of the principle of balanced collective forces may mean new applications of scientific warfare and "abandonment of the old concept of defence by great masses of infantry . . ."

And later:

It doesn't mean that Canada would definitely not send another expeditionary force overseas. It does mean, however, that the proportion of infantry in any overseas force would be considerably less than before. In their stead would be the skilled technicians who handle rockets and missiles. The infantry division, as such, might vanish or be sharply altered.

The last paragraph states:

It is a "reasonable assumption," a reporter was told, that for the first time a new war would not be started the way the last one ended. The infantry's relative importance would drop and there would be a larger proportion of manpower dispatching mass destruction weapons.

If one examines this in relation to the minister's statement of March 17, I think several questions arise. I am not suggesting that the statements in this article must be taken as a statement of defence policy, although I do point out that it is a Canadian Press article, refers to government sources and statements of defence officials, and that the article originates in Ottawa. On March 17, as reported at page 856 of *Hansard*, the minister said:

Our planning must look several years ahead. On the one hand we must start work in time to produce the results in personnel and equipment when they are likely to be needed. On the other hand, we must avoid starting things now which might involve us in future commitments for the expenditure of money which might then be needed for other defence purposes of greater priority.

One may recall that only a couple of years ago in discussions on defence matters it was indicated by the minister, and such other statements of defence policy as were made, that the thinking of the department was to the effect that we should not commit ourselves at the present time to any definite form of armed services, that is to say to any permanent division of effort as between the three services, nor should we commit ourselves to any permanent line of equipment for fear that we might embark upon programs which would be obsolete, or at least obsolescent in a couple of years, when perhaps an emergency might arise and we would need those forces and equipment.

When one remembers that that was the defence policy only two years ago—and I believe it was the same last year—then in the light of the statement to which I have just referred I think a very definite question arises as to what has brought about the change of policy, and the present policy in the department which places such great emphasis upon the expenditure of money for the acquisition of equipment as though—and I think this is the only inference that can be drawn—we have now decided what will be the design of our forces and what basic equipment—indeed, in some cases what detailed equipment—we shall go in for.

I recall that only two years ago it was indicated that defence thinking was that there would be no war in the immediate future as a result of deliberate planning, that no country was contemplating waging a deliberate war, that we need not contemplate such an event for at least ten years, but that with the various tension spots around the world such as Berlin—it was the main one at that time, and perhaps still is—and with the various encroachments of communist imperialism in one country after another

new tensions might arise, that there might be an explosion and that a war might result more or less accidentally.

The theory was that such accidental war would be fought generally along the same lines as the one just concluded. There would be certain developments of certain techniques which would be carried to further perfection as a result of the last war, but that generally speaking such accidental war in the few years immediately ahead would be along the lines of the last one. It was urged therefore that we should not make too early a decision as to new techniques, new weapons and new formations which would form a permanent design for our defence forces. It was felt that their use would not be likely until the development of something more deliberate, and that such could not take place until some ten years in the future.

What has caused the change in emphasis? What has brought about the change in policy in the Department of National Defence which results in the emphasis now being placed upon the purchase of equipment? Let me point out that so definite was the earlier policy that we should not begin too soon to build up a permanent design for our forces and equipment that there was indeed a good deal of criticism. I am sure the minister is used to criticism, and that he is particularly used to it when it comes from the source from which I am now about to quote. But the point I wish to establish is that the policy to which I have been referring, a policy of wait and see, was so firmly established and maintained that considerable criticism resulted therefrom in the newspapers, in the press, and indeed in the House of Commons.

The Montreal *Gazette*, of March 17, 1948, carried an editorial in which it pointed out the danger of too rigid adherence to the policy of wait and see. This editorial is headed "Small But Efficient". I believe some of the principles laid down in the editorial are so sound that it might be well to place them before the committee at this time. Referring to the fact that in the view of this writer the insistence upon a policy of wait and see resulted in inefficiency in the design of our forces, because the men were not being equipped with what they should have, and because the very purpose and design of the forces was not clearly laid down, the writer had this to say:

> This is not to say that the inefficiency of the forces comes about from their own failure to make the most of the opportunities that have been provided for them. But it does appear that they are not being furnished with every chance to attain true efficiency. For the only real test of efficiency in modern war is the adequacy of the new means to the new ends. It seems that since 1945 very few new weapons have been provided to keep training in close relations with a rapidly developing reality. Some of the hesitation in providing the modern equipment would seem to come about from a chronic sense that something a little newer and better may be just around the corner. This feeling is well founded, as no weapon, however new, will ever remain unimproved.

Then continuing:

> But the hesitation in providing modern equipment would seem to have deeper causes. There are evidences of a lack of decision as to just what purpose our armed forces are supposed to serve. Are we to have an offensive or a defensive force? Which of the three armed services is considered to be of paramount importance? Is our primary aim to defend our own borders from attack? With which of our allies is the co-ordination of our arms most important?

And finally:

> The idea of a small and efficient force, if it is to be stated at all, could be stated as that of a "small but efficient force." The efficiency, in short, is the only justification of the smallness. There is no virtue or value in smallness as such. And yet there appears to be a very real danger that the smallness will be left to itself. And, from the figures, it seems that even that will be very small indeed.

I have read that to show that only two years ago the emphasis, in so far as it could be gathered from the statements by the minister and others in the defence department, was on "wait and see." The idea seemed to be that no deliberate war—if I may use that word—was likely for at least several years, perhaps up to ten, and therefore we should not go too fast in laying down a permanent design for our forces and adopting permanent equipment with which they would be finally armed.

Now the emphasis is all on bringing our requirements up to need, on equipping or catching up with the backlog of equipment for the forces which we have in existence. On several occasions in March the minister referred to the heavy proportion of our defence expenditures which was going to equipment, and I quote from page 852 of *Hansard* of March 17, 1950, where the minister is reported as follows:

> The greatest shortage is equipment as other commitments have so far prevented much production in quantity. We appear—

I am adding the word "now":

> —now to be spending in proportion more on equipment than the other countries.

And then I quote from page 856 as follows:

> In 1948, 12 per cent of the total appropriation was spent on equipment; in 1949, 24 per cent and in the coming year it will be 28 per cent. This trend reflects both the increasing cost of fighting machines and the importance which is attached to having up to date weapons in the hands of our services. It is, I am sure hon. members will agree, a desirable and proper approach.

In other statements the minister has made reference to the fact that the reason why our defence spending is as heavy as it is now is in large part the fact we are spending so largely on equipment. I should like to ask now why there has been what can be described only as a change in policy. Is there any change in the approach of the department to the concept of our defence requirements or the dangers which we face and which make necessary this change in policy in so far as equipment is concerned? Are we closer to an actual threat than was thought to be the case only two years ago when the other policy was formulated?

There are just one or two particular matters I want to refer to before I conclude and these arise out of the fact that we are spending so heavily on equipment. The hon. member for Nanaimo has referred already to the dangers inherent in our heavy commitments with respect to the purchase and construction of the United States jet fighter, the F-86. On March 17 the hon. member made this statement as reported on page 863 of *Hansard:*

> The proposed production program which I understand, according to press reports, will see the F-86 coming into production either at the end of this year or in 1951, raises serious doubts in my mind as to whether it will not be an obsolescent machine before it comes off the line. These doubts are reinforced by the decision which I understand has been taken in the United States in which orders for an improved type of Sabre, the F-93, have been cancelled. Doubts have been expressed in leading aviation papers in the United States that the F-86 will ever become a practical interceptor. I do suggest that money should have been saved to this country if the R.C.A.F. had continued to use the improved Vampire types during the interim until our own CF-100 becomes generally available, which I gather, from the remarks made by the minister this afternoon, will be toward next year.

The grave doubts cast by the hon. member for Nanaimo in his well-founded statement on the wisdom of equipping ourselves with F-86 machines has not yet been cleared up by the minister. In view of the current emphasis on uniformity in arms production it seems to me that those doubts are further accentuated, particularly when we understand that the United States now regard this particular jet as obsolete. Is Canada to be the only country using this fighter while the United Kingdom and other Atlantic pact countries, as was pointed out by the hon. member for Nanaimo, are adopting the use of the British Vampire and Venom machines, of which we already have the basic type here? It does seem to me that we are making a mistake in adopting the United States F-86 instead of using the up-to-date British jet fighters until our own are ready for delivery in Canada.

Mr. Claxton: I think I should say at once that there is no truth in the report that the United States are dropping the F-86.

Mr. Fulton: I hope the minister will deal with that.

Mr. Claxton: It was anticipated and dealt with before in the house.

Mr. Fulton: I hope the minister will deal with it at some greater length after this general discussion is completed.

Mr. Claxton: The matter has already been covered, but I shall go into it again.

Mr. Fulton: I do not think so. The final question I wish to raise is being raised at this time because it concerns large numbers of people in this country. First I should like the minister to state whether the Canadian war graves in Europe come under his department?

Mr. Claxton: They would be under defence.

Mr. Fulton: On the permanent headstones and crosses of the graves of Canadian soldiers who died in the last war there is no reference to the unit to which they belonged. This matter has been referred to before in a question and answer on the order paper. I am sure that other hon. members as well as myself have received reports about this from former members of the forces who have visited the graves of relatives or friends, as well as from relatives of soldiers who are buried overseas. The Canadian graves seem to be the only ones where no mention of the unit is made on the headstone or cross. Some of these reports have been couched in quite strong language. I am not going to use the same language because it seems to me that this is a matter which is bound to cause distress to the relatives of those who are buried there. Therefore I think the more moderately one can discuss the matter the better. My feelings are very strong. I do not really see any justification or reason for the identity of the soldier not being preserved, and it is regarded by those who served in the units that their identity existed—I will not say was submerged—with that of the other members of the unit with whom they served. It is only proper and fitting that such identity should be preserved on the headstone memorial marking their last resting place. It is a matter which I know has caused grave distress to many of the relatives in Canada.

I make no apologies for bringing it up at this time although, as I say, I am going to deal with it in as moderate language as I can. Nevertheless I say to the minister that I feel very strongly about it, and I know I represent the views of many others who feel equally strongly that there is no good reason or justification for it, and that the policy

should be immediately reversed. Those who go to the burial grounds of Canadian soldiers overseas know so well the traditions, ideals, fortunes and adversities which their relatives shared with their fellow members of the same unit. The first question they ask is: Where are the members of the Edmonton regiment? They look for some reference to the regiment to assist them to find the burial place of their own relatives. It comes as a distinct and distressing shock to them to find that no reference to the unit is embodied on the memorial stones.

I think the minister should, and I hope he will, review the policy and change it so that the name of the unit may be carved on the headstones marking the last resting place of those Canadians who fought with and were proud of their units. A nominal roll by units of those who rest there should also be preserved in the records of the graves.

Mr. Dickey: Perhaps first of all I might say to the minister that I am not one of those who agree with the point of view expressed earlier this afternoon by the hon. member for Trois-Rivières concerning the fleet air arm of the Royal Canadian Navy. It is true that the operation of our aircraft carrier and the fleet air arm generally is expensive. Looking at it from that point of view alone, it is perhaps not too difficult to conclude that there might be some justification for a reduction of the expenses involved in the operation of that service. I think, however, that point of view does not take into consideration the development of operations and policies in naval services throughout the world, and the particular role that the Canadian navy will be called upon to play in any future hostilities. In spite of the fact that it is expensive I think we must keep a naval air arm and provide it with adequate facilities and the necessary equipment and training to maintain it as an efficient fighting force.

Consideration of naval air policy brings me to the main reason for my saying anything this afternoon on the defence estimates. I wish to refer to a problem dealt with earlier by the hon. member for Cape Breton South, the airport facilities at Eastern Passage, Halifax county. The airport at Eastern Passage is the main operational and training base for the fleet air arm, and is known as H.M.C.S. *Shearwater*. Everyone will fully appreciate that as a military base the Department of National Defence must see that it is an efficient operation, that its facilities are what are required for the immediate purposes of the service, and that its utility to the service is not unreasonably affected by any other consideration.

I should like to point out to the minister that ever since this airport was constructed at Eastern Passage as an air base for the R.C.A.F., it has also been used as the only civilian airport serving Halifax and the whole of the central section of the province of Nova Scotia. I submit, Mr. Chairman, that the Department of National Defence must take into consideration the use of that airport for civilian purposes ever since it was brought into operation. Turning for a moment to the use of the airport for military or naval purposes, I should like to point out to the minister that, while the airport may be suitable for the main use to which it is being put at the present time by the naval air service, the landing of carrier aircraft, it is an unavoidable conclusion that developments in military and naval aviation are going to be in the direction of heavier and larger planes. I think that the Department of National Defence must see the necessity of having facilities for a purely military or naval airport in the Halifax area which will be immediately able to accommodate exclusively military traffic of all types in the event of an emergency.

The fact is that the facilities of the Dartmouth air base are apparently not suitable now to carry present military traffic of the heaviest type, and, unless considerably improved, certainly will not be in a position to take care of the military traffic which it may be required to handle in an emergency within even a very few years. From the civilian point of view the airport is not capable now of accommodating civilian traffic of a heavy type, and in this field development is also bound to be towards the use of larger, heavier and more economical planes. I would submit to the minister that the Department of National Defence, from a purely military point of view, in the near future will have to make some provision in the immediate Halifax area for the accommodation of much heavier aircraft than are being used by the fleet air arm at the Eastern Passage base. The other departments of government should, at the same time, consider the provision of facilities of a civilian nature for the accommodation of heavy aircraft traffic.

I am going to ask the minister to give us an assurance that the request will be considered, which I have already made to him in correspondence, that the officers of his department consult with the officers of the Department of Transport, and if necessary the officers of the Department of Trade and Commerce, and investigate carefully the immediate and future requirements for airport facilities in the Halifax area. If these

requirements, both military and civilian, can be met by an extension or improvement of the facilities of the airport at Eastern Passage, and if such extension can be carried out and the airport's use for civilian traffic continued without unreasonably restricting the use of the airport for necessary military and naval purposes, then we request that his officers co-operate with the officers of the other departments concerned in carrying out such improvement and extension. If after careful consideration by all the departments concerned it is not felt that the extension or improvement of this airport at Eastern Passage could be carried out to conveniently provide the facilities that are required, then we ask the officers of his department to give any assistance which may be necessary to the other departments of government in providing additional facilities elsewhere.

The minister is aware that he and other ministers concerned have received a copy of a resolution adopted by the Halifax city council on May 26 last. This resolution, and other communications which have been received by the minister, indicate the importance of this question and the interest which is naturally being taken in it in the Halifax area. I hope the minister will be able to give me the assurance that I ask, and that the consultations which I have suggested to him in correspondence as well as on the floor of the house will take place with the greatest possible speed, so that the unsatisfactory situation which now exists will be dealt with adequately.

Mr. Claxton: Mr. Chairman, hon. members in discussing these estimates have made a number of comments, and put forward a number of suggestions, and asked a number of questions which should be dealt with at this time. The nature of these would require considerable time to deal with in detail, because a good many of them involve questions of opinion concerning an appreciation of the present situation from a defence point of view, about which there are conflicting views. I should like to try to answer some of the points as briefly as possible.

In the first place, with regard to the effect of the announcement made following the London meeting of the council of the North Atlantic treaty, I think hon. members should read with care the statement made in the house by the Secretary of State for External Affairs on June 5 of this year, which appears at page 3189 of *Hansard*. He was careful to indicate, in that part of the statement dealing with defence, what the effect of it would be in so far as we could see. He said:

> As far as this government is concerned, in our defence policy we have already accepted this principle and have been trying to relate our policy to the defence of an area rather than merely to the defence of a country. We have been going on that principle and we will gladly do what we can to continue its application.

Now that follows from the nature of the problem of Canadian defence, because our defence has never been envisaged as the defence of Canada alone but the defence of Canada as part of a continent, and indeed the defence of Canada as part of the defence of the western countries which would all be involved in the event of a war for our freedom. It is not envisaged that this principle of balanced forces, forces that will be balanced internationally, will have any immediate effect on our own defence planning or on our own defence program. It must be evident that the only immediate effect of great consequence would be in the case where the north Atlantic powers had a surplus of weapons or of personnel of any particular type. If they have a surplus over all, obviously it would be unwise for any country to begin to construct new equipment that would duplicate existing equipment which is considered adequate.

For example, and I only mention it as an example because this has not received consideration yet, take the case of battleships or cruisers. It is quite possible that the view of those responsible for north Atlantic planning may be that we have enough battleships and enough cruisers. If so it would not be in the interests of total defence of the area to go ahead with the construction of more battleships and more cruisers. That is of course an extreme example, but it is an example of the way in which this will work.

We regard this principle as of great importance, indeed it is implicit in the idea of collective defence principle. It makes sense. But we do not believe it will have any immediate or very considerable effect on our own defence forces, because our defence planning has envisaged the operation of our defences in conjunction with other nations at all times. While I assure hon. members who asked questions on this point that it is not expected it will have any immediate effect on our defence program, I add that we will be ready to sit down with the representatives of the other nations and consider what should be done to attain the best possible results. We will enter those discussions, as we have in the past, with a free mind and with a strong desire to secure the best possible result.

Perhaps I might supplement this by another statement on the question of commitments. The position is just as I have stated it in the house time after time, that is that the undertakings we have made in the North Atlantic treaty, particularly those contained in articles 3 and 5, are of a political character. When my colleague the Secretary of State for External Affairs referred to those as "commitments", I think the expression "commitment" is equivalent to the expression "undertaking". But when I was asked if we had any commitments, I was considering this question from the point of view of specific military commitments; and I told the house then, as I tell the committee now, that we have not. I am not too sure that the North Atlantic treaty organization will ever develop in a way in which there are specific military commitments. That remains to be seen. It remains to be worked out. But if there are to be specific military commitments, those commitments will be the ones which are agreed to by the government of Canada made known to the parliament of Canada. That is expressly provided for in the terms of the treaty itself.

Mr. Green: Which article contains that provision?

Mr. Claxton: That we are to determine it ourselves?

Mr. Green: No, by parliament.

Mr. Claxton: It is article 11, which refers to constitutional authorities of each country.

With regard to the development of this principle, as I say it is implicit in the very nature of collective defence and the concept of collective defence from the start. It grew out of our own meetings of the defence committee on April 1. A most significant statement on the subject was made by General Bradley in an address given before the executives club of Chicago on April 14, 1950, in which he definitely anticipated the nature of the decision with regard to balanced forces. I will not delay the committee by reading it, but it is an important statement indeed and one which I am sure will carry with it the judgment of all hon. members.

Mr. Fulton: Where is it found? Where is it available?

Mr. Claxton: It appeared in the New York *Times* for the following day.

With regard to another allied subject which was raised by the hon. member for Kamloops, as to whether our emphasis on the acquisition of equipment has changed, I can assure him that any change there has been in that respect was envisaged at the time when I made the statement I made in the house on June 24, 1948, when I referred to some dangers in defence planning. I said that one danger is that the Soviet union, without any genuine change of attitude, may suddenly appear to be seeking co-operation which might result in a slackening of effort.

And I said that:

> A second danger is that we should come to regard war as inevitable.

And also I said:

> A third danger is that we should commit our future resources to expenditures, equipment and plans that will be out of date when needed.

In that statement I do not think any hon. member can find anything to cavil at for an instant. That was the only basis, as far as I know, for that "wait and see" editorial of the Montreal *Gazette* of March 17, 1948. I must say that that editorial and similar statements are typical examples of first distorting what I said and then criticizing me for the distortion. I think our attitude on this matter has been perfectly plain.

May I give an example. We have a large number of anti-aircraft guns in Canada. They are of the most modern type at the end of the last world war. They are still good guns. They could be modified with the addition of types of equipment at a cost of about $180,000 a gun. The question is: Is that type of gun going to be useful five years from now, and should we incur the expenditure of $180,000 a gun in respect of this particular weapon? That is a question of judgment on which we have got to take the advice of the experts in this and other countries. If we had at our disposal unlimited sums of money, then of course we should make the modernization just as soon as we could. But since our money is not unlimited by any manner of means, we have got to do the best we can with it. If now we believe that at the end of five years we may anticipate another means of effectively dealing with aircraft, then we have got to balance the pros and the cons and make the best decision we can.

Then with regard to the provision of aircraft and antisubmarine vessels, may I say that we did not proceed with the production of the CF-100 in 1948 and 1949 because the CF-100 had not yet been developed. We knew that it was in course of development. We had been working on it already for two years and we hoped that it would be a successful aircraft. As soon as it began to seem likely that it would be a successful aircraft, we placed an order for tooling, and a preproduction order; and we are now negotiating an order for a larger number of aircraft.

The same thing is true with regard to the F-86. We did not order the F-86 or start production on it because there were not

F-86's in 1947. But as soon as that aircraft had been tested and proved to be successful, we made the decision to go ahead with the production of 100 of them at Canadair Limited.

With regard to the statement made by the hon. member for Nanaimo about this particular aircraft, I must say that the figures he gave as to its performance, when the matter came up in the house before, are not in accordance with the information we have. This is not an obsolete aircraft. I was in the United States not long ago and went with the President of the United States and the Secretary of Defence, the Hon. Louis Johnson, and saw a great demonstration of the air power of the United States at Eglin field in Florida. It is the air proving ground. There we were given a book of photographs of the different types of aircraft. Here we have one of the photographs with the caption:

The air force's B-36, giant intercontinental bomber, beating off an interception attempt by the crack F-86 Sabre.

Then over the page:

The North American F-86 "Sabre," first line operational fighter of USAF tactical fighter groups is paced by the North American B-45 "Tornado," jet light bomber. The "Sabre," fully armed, holds the world's speed record of 670 plus.

This aircraft is the fastest aircraft in production known to us anywhere in the world. Far from being obsolete, it is the first-line aircraft in the United States. The rate of climb given by the hon. member for Nanaimo, when the matter came up before, was quite different from the actual rate of climb. Information about this is restricted in the United States, but I saw this aircraft and three others climb in a demonstration; and I can assure you, Mr. Chairman, that this one overtook the others as if they were virtually standing still.

Mr. Brooks: Can the minister tell us what the others were? It is a matter of comparison. What were the other aircraft?

Mr. Claxton: I can give the hon. member the numbers.

Mr. Harkness: Were they propeller aircraft?

Mr. Claxton: They were the second and third fighter jets in the United States at the present time. With regard to the choice of the F-86 vis-à-vis the Vampire, I have already given the reasons for that in the house. We wanted to have an aircraft made in Canada that could be made according to North American specifications and produced in the event of an emergency here. It seemed to us to make sense that the capacity of the British plants to produce aircraft should be used in Britain and in the other countries in Europe under the North Atlantic treaty. Further, the Vampire to which the hon. member for Nanaimo has referred, if there is one having anything like the specifications he mentions, is still not beyond the development stage. There is not even a prototype yet. We will have the F-86 in production in Canada according to North American standards and specifications before we could possibly obtain the Vampire to which the hon. member made reference.

The hon. member for Calgary East asked me a number of questions with which I should deal. He asked about the two fighter squadrons and whether they were up to strength. Yes, they are up to strength in personnel, and they are up to peacetime strength in respect of aircraft. Then he asked whether the brigade group was up to strength. I can tell him that it is at 80 per cent of the establishment. I might say, since the hon. member has expressed interest in it before, that at the present time we have more trained paratroopers in Canada than landed in the low countries in the German invasion in May, 1940.

Then the hon. member asked if the radar equipment we had was adequate and if the interceptor plans were adequate. I have already dealt with this question at some length in the house before, and pointed out that if we were to endeavour to have an air interception system on anything like the scale they had in England during the second world war we would be putting not only $425 million into defence, but a great deal more, and we would not be doing anything else.

Mr. Harkness: Just so there will be no misunderstanding, I did not ask whether the radar net and so forth were adequate for our defence. As a matter of fact I specifically said that they were not. I admitted it was impossible to produce in this country a defence which was really adequate to the country; that all we could hope to achieve was what you might call a minimum necessity. What I asked was whether the minister's own statement of what was to be provided in the way of a radar net, fighter squadrons and so forth, had been met.

Mr. Claxton: I am very much obliged to the hon. member. I misunderstood him. We are making progress on it. We have a plan under which we will do a certain amount of construction of radar sites and equipment each year. We have on order, in the way of equipment of the latest and most powerful sets, equipment to the value of approximately

$25 million. We also have a considerable quantity of mobile equipment, which can be used in any locality at any time.

We are moving ahead with the organization of reserve air force radar units. There is a very successful one in Montreal, as the first, with a strength today of some 500. That is being spread throughout the province of Quebec, with sub-units in Ste. Anne de Bellevue, Sherbrooke, Three Rivers and Quebec city. That will be followed by the establishment of similar units in Toronto, Vancouver, and in other places. We have acquired the building necessary for the unit at Vancouver, and the organization of the unit will be proceeded with at a very early date.

Mr. Green: What building is that?

Mr. Claxton: It is a building formerly used as a club in the centre of the city.

The hon. member for Three Rivers asked about the justification for the *Magnificent*. He was rather opposed by his colleague, the hon. member for Kamloops, which just indicates—

Mr. Fulton: No, he was not opposed.

Mr. Claxton: I think the record will show that whereas the hon. member for Three Rivers questioned the desirability of having one aircraft carrier on the east coast, the hon. member for Kamloops endeavoured to make an argument in favour of having one on the west coast as well.

Mr. Fulton: The record will not show that.

Mr. Claxton: I am sorry if I misunderstood the hon. member.

To answer the hon. member for Three Rivers, the justification for an aircraft carrier in a country like Canada of course is that an aircraft carrier is considered to be an essential weapon today for antisubmarine activities. Whether or not that will be so five or ten years from now remains to be seen, depending on the development of other types of equipment. At the present time I should think that certainly it is the view of everyone that aircraft carriers are necessary for use in connection with antisubmarine work. If that statement is accepted, as I think it should be, the question is, can we rely on having the use of an aircraft carrier from the United Kingdom or the United States on loan in order to enable us to do the training on our antisubmarine vessels. Our view is that since we had this aircraft carrier—it is the property of Britain—since we had a naval air arm established at the end of the last war, we would not be justified in making any radical change in the immediate future, but should carry on with the one aircraft carrier, watch the development of the art, keep up with it, and then if any alternative method of dealing with it, or if this concept of planned forces developed to a very great degree, then we might reconsider the position; but certainly so far as we can see ahead we mean to maintain the aircraft carrier.

With regard to the expenditures on it, the answer to the question put in the house related to the cost of operation of the aircraft carrier only. I think the hon. member mentioned the figure of $4,500,000. My recollection is that that is substantially the answer given. Then he referred to a statement credited to the chief of the naval services in Vancouver that it was costing $20 million. The chief of the naval services has told me that he did not make any such statement. The actual figure for the over-all cost of the operation of the aircraft carrier, including the maintenance of the base at Dartmouth and everything that should properly be included, is approximately $10 million a year.

We could, as has been suggested, operate a destroyer at a cost of $2 million or $2,500,000 a year, but it would not provide nearly the same training facilities for active and reserve personnel; and of course it would mean that we would not have the services of an aircraft carrier for training in antisubmarine work.

Mr. Balcer: Which of the figures must we take? Which is the true figure? The minister said that the upkeep of an aircraft carrier, or its total operational cost, was $4,500,000. The minister then said that the chief of the naval services did not mean $20 million; what he meant was $10 million. There is still a difference of $5 million between the two figures.

Mr. Claxton: No; I am sorry. I did not make myself clear. The cost of the actual operation of the aircraft carrier and of the aircraft is $4,500,000. However, if you include major refits, new equipment and capital cost, it brings the cost of having the aircraft carrier up to $10 million per annum. But the cost of operation—that is fuel, oil, and stores —is $4,500,000.

Mr. Balcer: What about this $20 million?

Mr. Claxton: No figure of $20 million was ever given.

Mr. Balcer: What I read was a Canadian Press dispatch.

Mr. Claxton: It was mentioned in the press, but—

Mr. Balcer: And there was another report in the Vancouver *Herald* of the same date saying that—

Vice Admiral Harold Taylor Grant, C.B.E., D.S.O., R.C.N., Chief of Naval Staff, said Thursday the *Magnificent* cost about 19 per cent of the navy's $83 million budget. He considered that a definite asset to Canadian naval training, and he also said it cost Canadians about $20 million annually to maintain the aircraft carrier *Magnificent*, and the navy's air arm.

Mr. Claxton: As I said, the chief of naval staff told me that he did not say that.

Mr. Balcer: Both papers are wrong, then?

Mr. Claxton: Yes, or else the chief of naval staff is wrong in his recollection. However, he told me that he did not give the figure of $20 million.

The hon. member for Calgary East asked for an explanation of the amounts I had given with respect to expenditures on the air force. The table which appeared in *Hansard* gives a figure of 40·6 per cent whereas in a statement later I mentioned a figure, he said, of 44·8 per cent. The reason for that is that in the second figure I was giving the proportion of the defence dollar spent for the navy, army and air force. That gives the result the hon. member mentioned. However, if you include pensions, grants, defence research and the like, and take them separately, as is done in this table, the result is 40·6 per cent. Pensions, grants, research and so on are applicable over the services roughly in proportion to the other expenditures.

The hon. member then asked as to the state of training in the reserve forces, and what the target was. The target is to have the reserve forces trained up to the standard of the active forces. That is being achieved with officers, N.C.O.'s and tradesmen. However, it takes considerable time, on the basis of present training, to bring the rank and file up to those standards. It is hoped that those standards would be achieved over a period of approximately three years.

As to the state of equipment: the reserve forces have more equipment than they have ever had before. There is adequate equipment of modern types for all units—in fact, most units have more equipment than they have storage space in which to accommodate it.

I was asked about the state of recruiting. The hon. member for Calgary East referred to a statement I had made that recruiting did not need help. What was intended was acceleration. At that time the rate of recruiting in the active force—and I specified the active force—was quite satisfactory. It has been moving along in a satisfactory way for the last three years. Recruiting for the reserve force has been good in recent months. We would like to see it continued and better. We have in the active force 47,000 and in the reserve force 49,000, so that it is increasing steadily. However, we would like to have another 4,000, or 5,000 just as soon as we can get them in the reserve force. I think that in proportion to population Canada has more men in the reserve force than has any other country in the commonwealth. As I have indicated time and again to hon. members, and also to others, we are exceedingly glad to get every possible help we can in recruiting. I have made appeals to that effect to hon. members, to branches of the Legion and to others.

The hon. member for Cape Breton South referred to educational standards for the armed forces. We are in the position that at the present time we are getting men, at about the rate we want them, who have the very high standards we think we ought to get. If we accept men with lower standards we will have to give them in-service education, which will cost both personnel and money, and postpone their incorporation into the units in which they are to serve. It seems to us we should not seek to diminish the standards, but that we should endeavour to raise them as high as we can.

The hon. member for Calgary East expressed satisfaction with the procedure of having officers from North Atlantic treaty countries trained at our expense in the army and air force of Canada. I was glad to hear him say that. He said that the figures were small—only one hundred for the air force and one hundred and fifty for the army.

Mr. Harkness: I said "comparatively small".

Mr. Claxton: Yes, comparatively small. Well, in comparison with the numbers actually being trained, particularly in the air services in other countries at the present time, those are quite satisfactory figures. He also asked how many men we had training abroad. We have as staff and students in service and training abroad 405 officers and men of the three services.

Mr. Harkness: How is that split up?

Mr. Claxton: It is as follows:

Branch of service	Staff	Students
Navy	29	129
Army	54	63
R.C.A.F.	71	42
Defence research board	15	2
	169	236

This makes a grand total of 405.

Mr. Harkness: What countries are those for?

Mr. Claxton: The United States, England and a number of other countries. These include officers and men serving abroad as well as training abroad, because if they are serving abroad they are usually developing useful experience as well as training.

Mr. Fulton: Does that include air attachés?

Mr. Claxton: Yes, there are seven or eight air, naval and military attachés. The hon. member for Calgary East asked about civil defence plans. I have already made a statement to the effect that we have completed a plan of organization at the federal level. I should explain that when General Worthington was appointed co-ordinator of civil defence we had him look into what has been done in the United Kingdom, the United States and other countries. Then he went about to discuss the matter with the provinces. Following that we worked out a basis for a plan with all the government departments concerned. At the request of the provinces General Worthington put before them the results of that work. That part of the operation has just been completed but late in the summer or early in the autumn we propose to get together the representatives of the provinces in order to carry forward the organization at the provincial level. As we envisage civil defence we consider it largely a matter for co-operation of the closest kind with the provinces, and through them with the municipalities.

The hon. member for Cape Breton South and the hon. member for Halifax referred to the airport at Dartmouth which at present is operated as a land base for the fleet air arm. The airport is quite adequate for that purpose but if aircraft heavier than 60,000 pounds are to land the runway strips would be damaged and major damage would be caused. There is an item in the estimates this year for the maintenance of the runways and we will endeavour to keep them in condition in order to maintain the existing use.

With regard to developing the airport or increasing its size and capacity, I shall be glad to discuss again with the representatives of the Department of Transport the possible desirability of increasing the capacity of the airport along the lines suggested by the senior member for Halifax, both today and in correspondence, and also by the hon. member for Cape Breton South.

The defence of the Pacific was raised by the hon. member for Kamloops. I think it is axiomatic that a country like Canada can be defended only as part of the continent. It is obvious that we are in the fortunate position of being well to the east of lines of defence which include Japan and the islands to the south and the Hawaiian islands, and Alaska in the north. We are not in the same exposed position in the Pacific as we are in the Atlantic. However, the approximate size of the fleets and their distribution are much the same. The concept of coastal defence by static means seems to be passing out. It is much more likely that coastal defence will be secured by the operation of aircraft that are largely shore-based, and by the use of amphibian aircraft. On that account we are keeping our hands on the base at Patricia Bay and the other airfields, and are maintaining the air force establishment at Vancouver.

The hon. member for Calgary East asked about the progress made in standardization. We have made great progress in the standardization of procedure and battle orders and the like with the United States and also with the United Kingdom and other countries of the western union. There is now a generally accepted system of communications and battle procedure which would enable the forces of the countries of the North Atlantic pact to operate together. As a matter of fact, as hon. members know, great progress was made in this respect by the end of the second world war and that progress has been continued since. We can operate, certainly without any difficulty, with the forces of either the United Kingdom or the United States. Exercise Sweetbriar showed clearly that the staffs and the communications systems and everything necessary to operate armed forces, even under the difficult conditions of the sub-Arctic, could work together very well. I think I have covered most of the points raised by hon. members. If not, I am sure they will bring them to my attention.

Mr. Fulton: There was one matter in connection with Pacific defence I should like to have cleared up. I did not say that we should have an aircraft carrier on the west coast. I was simply asking whether I was right in assuming that aircraft carriers were an integral part of the antisubmarine task force. I then went on to ask what would be done to bring the Pacific antisubmarine defence up to at least a par with the Atlantic. The minister indicated that they are part of such a task force and answered my question in part, but I should like him to deal with the matter of naval units on the Pacific coast.

Mr. Claxton: If we had more money to spend on defence and if we did not have to do other things that have greater priority I would like to have an aircraft carrier on the west coast as well, but, as has been indicated, that would cost $10 million a year and our view is that one is better than none.

Mr. Fulton: Is not a great part of your cost in maintaining shore establishments and

headquarters and could not a second carrier be maintained without duplicating entirely that expense?

Mr. Claxton: Our experience is that because of the geography of Canada there is a necessity to have the forces divided between the Pacific and the Atlantic. The overhead and operation in each case is separate and distinct. You must duplicate virtually every service. If Canada was fortunate in having only one major naval establishment we could reduce that overhead substantially, but as it is now we have to duplicate the dockyard machinery, equipment, personnel, stores, magazines and everything else on each coast. There is a considerable amount of duplication which is inevitable because of the geography of the country.

I shall look over my notes and if there is anything further I can deal with it at eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Cote (Matapedia-Matane): Mr. Chairman, on a question of privilege, I should like to refer to page 3237 of *Hansard* for Tuesday, June 6. The hon. member for Peel is reported as saying, in reference to myself:

> He has no question of privilege; he is just trying to make another speech.

I am reported as having said:

> I know, but I shall not be long.

What I said was—

Mr. Fulton: Did you say all that?

Mr. Cote (Matapedia-Matane): —"I know it will hurt but I will not be long".

Mr. Graydon: Mr. Chairman, on a point of order—

Mr. Cote (Matapedia-Matane): Just a minute. Let me finish.

The Chairman: Order.

Mr. Graydon: I understand that the proceedings upon which the hon. member is about to comment were held when the Speaker was in the chair. I suggest to you, Mr. Chairman, that this is not the time for the hon. member to raise his question of privilege.

The Chairman: The point of order is well taken.

Mr. Cote (Matapedia-Matane): If it is well taken let me finish.

The Chairman: Order. It is a matter to be dealt with when the Speaker is in the chair and not in committee.

Mr. Cote (Matapedia-Matane): Well, get the Speaker.

The Chairman: Shall item 202 carry?

Mr. Harkness: No.

Mr. Claxton: I told the hon. member for Calgary East that I would check my notes and answer all the points that he and other members of the opposition raised. In addition to the other points the hon. member mentioned before, he referred to the position of western Germany and Spain. Surely that is a matter for external affairs and one of general foreign policy. I can assure him that the status of western Germany and Spain are matters of great concern to the North Atlantic treaty nations and as he indicated himself they are thorny questions. I do not think he would wish me to express any view on them at this time.

Mr. Harkness: What I said was that if the defence chiefs of our services had expressed any views on these matters I thought the committee should have the advantage of them.

Mr. Claxton: These are matters which concern not only ourselves but France, the Netherlands, Belgium, Luxembourg, the United Kingdom, Denmark, and all the other nations under the North Atlantic treaty. It would not be proper for me to express any views to the committee at this time with regard to the question raised by the hon. member. I do not think that would help the situation, which is one that has to be worked out over quite a long term in conjunction with our allies. As the hon. member indicated, they are "thorny" questions, and I am not in a position to make any further comment.

In the same passage of his remarks the hon. member referred to a new strategy to the effect that we should not simply attempt the liberation of the countries of western Europe after they have been overrun. I can assure him that there is nothing new in that. That has been the view of the countries of the western union since it was formed, of Benelux and of the North Atlantic treaty nations ever since their inception. There would not be very much point in the alliance of the countries of western Europe if it simply provided that after they were overrun by an aggressor they would subsequently be liberated by other countries.

Mr. Harkness: This is the first time it has been definitely stated.

Mr. Claxton: I do not know whether or not it was stated before in the communiqués issued by the North Atlantic treaty powers, but certainly it has been implicit in the North

Atlantic treaty organization from start to finish that we would endeavour to organize and perfect a system of defence so that we can defend our freedom and that of the other countries with which we are associated in the best place to defend it, wherever that may be.

Mr. Macdonnell (Greenwood): Would the minister permit a question on that point? I should like to refer to an article written for the London *Observer* and printed in the *Globe and Mail* of June 2. It is apropos of what is being discussed. The article reads in part:

It is impossible to overrate its importance.

The reference is to the importance of the decision made.

It commits America, Canada and Britain, no longer only to the rescue of Europe but to the defence of Europe.

I do not suppose it was ever consciously said that previously it was only for the rescue of Europe, but is it not correct, as has been repeatedly stated since the London decision, that this decision now brings it much nearer the realm of practical policy?

Mr. Claxton: I think it may be so that this is a decision on a question of principle which will help to assist the north Atlantic powers to achieve what was their object before. Nevertheless it was always their object to defend each other. That is stated in the treaty, and one of the undertakings therein is to come to each other's defence if any one is attacked.

Then the hon. member for Calgary East asked what has been done with regard to the provision of tracked vehicles. I can tell him that work with regard to the development of tracked vehicles of a suitable type is being carried on in Canada at the Ford Motor Company and at Churchill. We are continuing to work on our own types of tracked vehicles, but we also hope that in consequence of the experiences of the exercise we will develop even better tracked vehicles in co-operation with the United States.

Mr. Harkness: May I ask if any increase has been made in the number of tracked vehicles provided to the active units of the permanent force?

Mr. Claxton: Not yet, no. We have tracked vehicles of the type I mentioned in my previous remarks on this subject available for issue if we should have an exercise of this type or the opportunity to use them again.

The hon. member said that the disasters in Winnipeg and other places showed the need of civilian organization. I believe that is a matter for the provinces and municipalities

across Canada. But I can assure him that at no stage of the operations, either in Winnipeg, the Fraser valley, Rimouski or Cabano, was there any indication that there was any failure on the part of the federal government agencies, including the armed forces, to co-operate with the civilian authorities. We propose, in consequence of these experiences, to develop further the doctrine of aid to the civil power in the event of emergencies, which has I think admittedly worked so well in these cases, and also extend to the provinces and municipalities the result of our experience with regard to disasters of a civil character not related to an emergency of the nature of war. What we aim to do is co-operate with them, and work with them in every way possible.

Then the hon. member asked about progress with regard to United States-Canadian procurement. A statement was made about that in the house.

Mr. Harkness: I said that.

Mr. Claxton: Yes. It represents a very great step forward. In consequence of the announcement made in Washington that authority had been given to permit the procurement of $15 million to $25 million of defence equipment in Canada, we are endeavouring to negotiate with representatives of the United States to see how the matter can best be dealt with, and what items can best be made available.

Mr. Harkness: What I asked was, in a general way, what sort of equipment, material and so forth would be produced by Canada and sold to the United States; and what, in a general way, would be the type of thing the United States would produce and sell to us.

Mr. Claxton: That is one of the questions that have to be explored. There is hardly any type of equipment that Canada could make which has not already been produced by the United States.

Mr. Harkness: That is one of the reasons I asked the question.

Mr. Claxton: On the other hand, there are many types of equipment which we could produce in Canada just as economically as they could be produced in the United States, provided we got an economic run to permit us to arrive at the lowest possible price. What those items will be depends on negotiations. We could, for example, produce any type of guns up to possibly the 105 in Canada just as economically as they will be produced in the United States, if those guns were required in large numbers. On the other hand, it might possibly be more economic for us to acquire heavier equipment, heavier motor vehicles,

from the United States. Our general aim is to achieve a rough kind of balance with regard to defence procurements from both countries. At the present time we have under purchase from the United States components of the F-86 totalling $11 million, plus a great deal of other equipment. We would like to see that figure balanced by similar United States purchases of equipment from Canada, but that is a matter of negotiation. The announcement made last week in the United States resulted from a considerable period of negotiation.

The hon. member referred to the total amount we were asked to vote, and said we were committing parliament to $625 million. The actual amount sought by these estimates is, of course, $425 million. No other cash appropriation is sought under these votes, but we do ask an additional current commitment authority for accounting purposes of $54,245,696, and then future commitment authority in respect of future years amounting to $144,181,470. That is in order to permit us, with some authority from parliament, to make long-term contracts for the production of aircraft, shipbuilding, electronic equipment and so on, which cannot be produced within the current fiscal year. That applies to a great range of defence equipment, even cloth and uniforms for the armed forces. The actual amount sought is $425 million.

Mr. Harkness: To clarify that, does it mean that, including the vote for the research branch, we are being asked to make commitments for this year or future years of an extra $200 million, approximately?

Mr. Claxton: No, sir; the money that must be found for any commitment must be found out of each year's appropriation. On the other hand contractors would like to have some authority at least back of the contracts which we make with them extending beyond the current fiscal year; that is the effect of the future year's commitment authority. It enables us, for example, in the case of aircraft to undertake a program extending over a period of several years; but in respect of the payment to be made for each year, we must of course obtain appropriations from parliament.

Mr. Harkness: I had quite a long discussion with the minister last year over the appropriateness of having the future commitments included. I shall not go into that again at the moment. Nevertheless, I think he will agree that the general effect of these commitments, which he says are to enable him to place contracts more readily, is to make it appear that the present session of parliament has entered into commitments for approximately $200 million.

Mr. Claxton: That is always subject to the money being voted by parliament year by year. The appropriation for this year is $425 million.

Mr. Macdonnell (Greenwood): Then, what is the real need for them? Would any contractor refuse to take a contract if you were not able to point out to him that you had this authority, as you say, for what it is worth? It is not worth much, if you can imagine an appropriation not being voted. When I first heard of these future commitments, I was rather impressed by them. The more I think of them, the less I am impressed by them as either proper or appropriate.

Mr. Claxton: With regard to the propriety, I can assure the hon. gentleman I did not introduce this practice. It was done in order that we might plan defence in a sensible way over a period of years, and so that the officials of the treasury department and finance department could see what would be involved in future years' commitments in respect of contracts undertaken this year. It strikes me that is a desirable thing to do. It does not obligate parliament later to vote the money, but it does indicate to the contractor that parliament is likely to vote the money. I have never heard of parliament refusing to vote money for such a purpose before.

Mr. Macdonnell (Greenwood): That is what I was going to say. It seems to me it works against this.

Mr. Claxton: It seems to me it does put on the department the responsibility for planning its future commitments over a period of years. For example, in respect of the sum of $144,181,470, about $50 million odd is applicable to the year 1951-52; $41 million to the year 1952-53; $27 million to the year 1953-54; and $24 million to the year 1954-55. It therefore provides for an orderly way of defence planning in order to achieve treasury control.

Mr. Harkness: If I might just comment on that matter for a moment, Mr. Chairman, it seems to me that a commitment of this sort either binds or it does not bind. If it does not bind, it is of no value whatever. If it does bind, it means that we are in effect voting a further $200 million, approximately. The minister evidently thinks that it has some value. If it has any value, it must have some value to bind us to make these commitments. In that event I think we have got to get back to the original point that I brought out and mentioned when I spoke this morning and immediately after the noon adjournment: that is that we are in effect this year voting about $625 million,

$425 million of which is to be spent immediately and the other $200 million of which we are to some extent, at any rate, bound to expend.

Mr. Claxton: In order to comply with the Consolidated Revenue and Audit Act, before we can have a contract we must have a commitment authority. In order that we may have a contract extending beyond the current fiscal year, we must have a commitment authority extending beyond the current fiscal year. The alternative to doing it this way, I suggest, would be to make a contract, let us say, for ten aircraft in respect of 1950-51. We would then arrive at a price per aircraft that would be fantastic. Then towards the end of that year, as we got authority from parliament, through the appropriation, we would make a contract for another 50 aircraft to be produced in 1951-52, and so on. The proposal practice permits us to conform with the terms of the Consolidated Revenue and Audit Act and to make a forward commitment which will enable us to secure the advantage of a continuous run so as to secure an economic price. I understand this is also done in the Department of Public Works which is about the only other department having a similar problem.

Mr. Harkness: I am not arguing with the minister as to whether the practice is valuable or whether it is not. On the basis of his explanation, it would appear that it was a valuable practice. Without studying it further, I cannot subscribe to it. Nevertheless, as I say, it would appear that that is the case. The basic point I think is this. Whether it is good practice or whether it is not, the practical effect of it is that we are in effect committing ourselves to expenditures of $625 million rather than $425 million by this action.

Mr. Claxton: But the hon. gentleman must be fair. In respect of the year 1950-51, the only commitment and the only money available for expenditure by the Department of National Defence is $425 million. In arriving at the size of the estimates for next year, as was done in the case of the estimates this year, we had to take account of our forward commitments that had been made previously as authorized by parliament. Parliament has full control over the cash; but it makes sense for us to be able to make a contract in respect of deliveries and possible payments beyond the current fiscal year. I suggest that is fundamental to defence procurement.

Mr. Harkness: I quite appreciate what the minister has said and I agree that the actual amount which it is estimated will be spent this year will be $425 million. There was just one point that I do not think was quite correct. The minister said that is all that they can possibly spend. In item 202 this language is used: "to make commitments for the current year of $438,178,000", not $384 million as appears in the column on the right-hand side, and "commitments for future years of $141,123,670". As I read the thing, the department, if it wanted to, could spend not $384 million under this item but $438 million.

Mr. Claxton: No, sir. I am sorry, but the hon. gentleman is not right. All we can spend is the money voted by parliament; which is, $425 million. But in order to facilitate the work of the department and also to comply with the provisions of section 29 of the Consolidated Revenue and Audit Act, we can make from moment to moment commitments up to an additional sum of $54,245,696.

Mr. Harkness: That is for this year?

Mr. Claxton: That is for this year. We can make commitments but we cannot spend anything more than $425 million. The reason for that is to permit us to deal with this kind of situation. In the preparation of the estimates of a department like Defence, every unit commander must provide let us say, for the fuel of his unit: coal, gasoline and so on. He puts in an item which will be, he estimates, sufficient to take care of anything that may be required. There is no extra factor included. There is nothing for contingencies. He puts down, however, a figure which he is reasonably certain will take care of the requirements of his unit for that year. If all the units put in figures on that basis, the average experience of the units will be less than the expectancy. If we did not have this additional commitment authority, around about the month of January or February we would not be able to make commitments against unencumbered funds in respect even of salaries, wages, pay and allowances, and food because of the necessity for each person ensuring that he has enough to get by with until the year is ended, irrespective of the actual experience that year. By this means, therefore, I think we can secure the greatest possible safety and also the greatest possible economy under the control of parliament over the total sum appropriated. Otherwise we would have a larger estimate to do the same work and an extremely large unexpended balance at the end of each year because of the nature of the defence operations.

Mr. Harkness: I have not been arguing here, Mr. Chairman, against the necessity of these things. I say they may be quite necessary. But as I understand the minister's explanation of this last point about this $54 million, the actual fact is that under this item

the department is able to incur debts of $54 million during the current year. In other words, they can run up bills, just the same as you and I might do at the grocery store. If we did not have enough money to pay our bill this month, we would have it run; and if we were still short of money next month, we would have it run during that month, and we would always be assuring the grocer that, come March 31, we would get the money and be able to pay him the amount of the bill. It seems to me that that is the position this $54 million is in. Under this item the department is given authority to run up a bill of $54 million which, of course, will be paid when we vote the estimates for the next year, 1951-52. Therefore the total effect is that in addition to voting this $384 million we are making a commitment to pay a further $54 million.

Mr. Claxton: No, I am sorry. We do not incur liabilities toward the public in excess of the money made available by parliament. This is only done by seeking an extra appropriation by a supplementary estimate, but this is purely to conform with section 29 of the Consolidated Revenue and Audit Act, to enable a contract demand to be made in respect of things that are needed, despite the fact that other demands may have been made which will subsequently be found not to be necessary.

Mr. Harkness: The minister himself used the example of a unit commander running up a bill for fuel in January and February.

Mr. Claxton: No; these are estimates. We build up our estimates on the basis of what each unit and service need. They are built up and they are criticized on every level and then they result in a total.

Mr. Harkness: The minister used an example of a unit commander running up a bill for fuel.

Mr. Claxton: No, not a bill, an estimate. He makes an estimate of what fuel he will need in respect of the approaching fiscal year, and he must play safe, of course. He puts in the average amount that can be expected to be spent in that fiscal year. Our experience is that over the whole realm of the defence expenditures the amount of the estimates put in in that way is not actually expended because of the safety factor that each person puts in, even though there is nothing for contingencies. Therefore it is the way in which we carry out economies rather than the reverse.

Mr. Herridge: I do not consider myself qualified to make comments or criticize the technical application, distribution or use of defence funds. It is sufficient for me to say that I have every confidence in the minister in the administration of his department; but I do rise, Mr. Chairman, because I was particularly interested in some remarks made this afternoon by the hon. member for Rosetown-Biggar. I wish to draw to the minister's attention a case similar to the one he mentioned. While I may not be an expert on military matters, I think I am quite competent to raise my voice as a member of this house to defend the civil liberties of the soldier and the civilian.

On my return home from the last session of parliament I was told by several people in my constituency that there had been a visit from someone in the army to a certain district with respect to a man who had long service in the forces. The general gossip in the village was that he was going to be discharged because he was a member of or sympathetic to the Labour-Progressive party, or something of that sort. I understand that later this man was discharged, and his discharge certificate read: "Not likely to become an efficient soldier". Later, on protests being made, that certificate was altered so that there was no objection to the terms of the discharge. I want to bring to the minister's attention the facts of this case. This man served four years in the first world war; he served five years in the second world war; he served five years in the permanent forces after the second world war. Then his department discharged him as not likely to become an efficient soldier. I think that was most unfair to that man in view of the fact that unfortunate gossip was general around the village and it was completely unfounded.

If an official of the minister's department goes to a small village and visits the butcher, the baker and the gas station operator and tells them why he is there it takes only twenty-four hours for everyone in that district to know what he was there for. I rise on behalf of that man, who served his country well. Fortunately the mistake has been corrected, though of course there are still some people who think the former gossip had some foundation.

As a matter of fact, this man is altogether unpolitically minded. I do not think he would realize the essential difference between the policy of the Progressive Conservative party and the policy of the C.C.F. I wish he would. I have talked to him on several occasions without any effect. He is one of those members of the working class who still have a great deal of faith in Toryism.

I wish to bring this matter to the attention of the minister because I think great care must be taken to prevent that sort of thing being done by an indiscreet official who visits

a small village or community. I do hope that the greatest care will be taken in a case like this and in cases such as those mentioned by the hon. member for Rosetown-Biggar, where there are supposed grounds for suspicion. I realize the necessity for security and support every care being taken to protect our defence arrangements, but I do ask again that great care be taken in a case like this, particularly in small places, because these things are not easily forgotten, and in this case a grave injustice was done to a very decent chap indeed.

Before sitting down I want to mention to the minister that several representative groups in my riding and responsible individuals have suggested to me that I bring to the minister's attention the fact that they are particularly interested in some permanent plans for civil defence. It has been mentioned to me that even if a skeleton organization were established so that these men could be getting some training they could be used in such emergencies as flood disasters and fighting forest fires. Even if there were a skeleton group of some organization they would gain experience in training and all the rest of it, and they could be used in the local district to support the forest branch in the event of forest fires, and other emergencies.

I should also like to return to the matter with which I dealt yesterday, namely, the question of chaplains in the defence forces having commissions. The minister explained the situation very well, and I am quite satisfied with his explanation to me at that time; but I want to repeat that I have met a large number of men of the three forces, and a good many members of the major religious denominations in this country, and some of the clergy of all the major denominations, who have expressed to me the opinion that it is not in the best interests of the men in the armed forces, and not in the best interests of the church, for the chaplains to have commissioned rank.

I should like the minister to advise the committee what are the pay allowances and what cars are provided for the chaplains of the honorary ranks of colonel, major and captain.

Mr. Claxton: In reply to the hon. gentleman I can assure him that on the facts that he has disclosed to the committee it certainly was a very improper note to put on anyone's discharge certificate. If he will draw the case again to my attention—I think he has done it before—I will make sure that everything possible will be done to ensure that such action is not taken in the future.

[Mr. Herridge.]

With regard to the chaplains, they have no cars. They have the pay of their rank, which I can give it to the hon. gentleman if he so wishes. Whatever it is, it is the same pay as any other officer holding the same rank would get.

Mr. Drew: I propose to have some other remarks to make, but there is one point I should like to clear up in regard to the section of the audit act that has been referred to. There has been constant reference to section 29 of the Consolidated Revenue and Audit Act. I would ask the minister if that is not in error, and if it should not be section 39?

Mr. Claxton: I shall be glad to look into that.

Mr. Drew: It is section 29 in the printed estimates.

Mr. Claxton: I am rather inclined to think that the leader of opposition is correct. I shall check it up.

Mr. Drew: Unless there has been an amendment of which I am not aware, section 29 refers to the appointment of the Auditor General, and nothing more, whereas section 39 is the section which refers to payment upon warrant by the minister, and appears to be the section to which reference is made in item 202.

Mr. Claxton: I shall send for the act and check it up.

Mr. Macdonnell (Greenwood): Mr. Chairman, I should like to make a few observations of a general nature. I am not going into any involved discussion on training or equipment. I got a lesson in that in the autumn of 1939, when the second war broke out, which I think will do me for the rest of my life. I was asked to go to a meeting of members of my old battery, and I found that they were terribly anxious to be allowed to do some training with the new units.

As I listened to them for a little while I began to laugh. They said, "What are you laughing at?" I said, "I am trying to imagine what you would have felt like in 1915 if you were told you were going to be taught by veterans of the South African war." I never made such a successful argument in my life. They dropped it like a hot potato, because they realized that our war in 1914-18 was several years further removed from the second war than our war from the South African war.

However, I should like to say something about the general situation. We are engaged here in the voting of hundreds of millions of dollars for defence. To me it is an astonishing thing that there should be comparatively little interest throughout the country in this matter. I go further and say it is astonishing that in a democracy apparently in peacetime we cannot prepare for either peace or war.

After the first war I was one of those—and they were regarded as rather a queer lot—who tried to do something for the League of Nations Society. But you could not get people interested in peace. They were bored with it then. They would not do any work about it. I think it is reasonable to say, looking back, that if people had been more keen about it something might have been done.

Today the difficulty is greater, and I have no doubt whatever that those who are trying to do work for the United Nations are having the same trouble as we had twenty years ago —and probably more. On the other hand it is extremely difficult to get people to be interested in the question of defence, as we understand it. It is for that reason I am on my feet this evening. I should like to make a few observations because I think that that is where this government and parliament comes in.

The fact that we had a report made to us a few days ago by the Secretary of State for External Affairs raises the question as to whether we are not stepping into an entirely new phase in the matter of defence. I have one or two paragraphs I should like to read on the point. I wish to suggest that we think it is terribly important that the government somehow or other should let the people know about this. I do not know how they can do it, unless they let us know. If defence is going to be the private enterprise of the cabinet, and if the cabinet is not going to take the House of Commons into its confidence, then how much less will they be able to take the people into their confidence, and how much chance will the people have to realize the seriousness of the estimates which we are here about to discuss.

I should like to read briefly from an article which appeared in the *Globe and Mail* of Friday, June 2, and, I have no doubt, in other newspapers. This is written by a responsible authority, although the author remains anonymous. It is headed "Defense of the West", and is written by "A Student of Europe". I take it that it is serious comment, because the article is a "special" to the London *Observer* and the *Globe and Mail*. First of all the writer says this:

> Now the Atlantic treaty nations have "resolved by their united efforts, to build up a system of defense . . . capable of withstanding any external threat directed against any of them."

The article then states that there are two historic decisions, and he proceeds to set them out.

> This is the first of the historic decisions taken by the Atlantic treaty council. It is impossible to overrate its importance. It commits America, Canada and Britain, no longer only to the rescue of Europe but to the defense of Europe. It further commits them to build by "united efforts" with the western Europeans, a unified system of defense.

And one further thing I should like to read:

> How will this Atlantic defense system have to be shaped to be effective? Some useful guidance can be had from a book which, by an odd coincidence, appeared on the very day of the Atlantic council's decision, Defense of the West, by Mr. Liddell Hart. He was writing long before that decision, and some parts of his book are outdated by it; but his main argument gains added pertinence.

Summarizing the rest of it he says, in effect, that it is not going to be numbers that count. He points out that a few German armoured divisions with 200,000 men overran the whole of Europe and defeated millions of opponents. He then goes on to make very definite suggestions as to changes in military preparation which are involved in the present situation.

The only reason for my bringing this up is that we have had differences of opinion as to how much information should be given to those of us in the opposition and, indeed, to private members on the government side. But I do suggest to the minister that if he desires, as I am sure he does desire, that the people throughout the country should take this matter seriously and understand the importance of it, then he has got to begin by taking it seriously in this House of Commons.

I should hope that he would bear in mind what has been said before to him, that it is quite impossible for members of parliament to make up their minds for themselves—and by that I mean, something more than just saying that the minister is a good fellow, and that everything is all right in his hands. It is easy enough to do that, but it does not enable us to know what is being done or to answer the questions we will be asked when we return to our constituencies.

There is another thing which the present method does not cover. I said to a newspaper friend of mine this afternoon, "Do you think there is any real interest in the matter of defence?" He said "People cannot be interested in millions". What he meant was people have to have something definite and practical in which to interest themselves.

I do suggest earnestly to the minister that, with this new situation before us, and with the new problems which have to be faced, the minister should consider—even reconsider—whether it is not possible that this House of Commons might be given much more information than it has been getting. I am not overlooking the question of security. No one but a fool wants things to be told that should not be told. But on the other hand no

one who is living in this world today can doubt that the great part of what we are doing is known to the Russians as well as it is to ourselves.

Of course we do talk much more frankly about these things than we did a few years ago. I think the minister should be more realistic in thinking about it and not merely back away from it, and give us what is inclined to be a service view. Years ago, during the first war when there was a question of information being given, a very responsible journalist commenting on this and on the withholding of information said, "We all know that there are many things which must not be told and we expect those things to be withheld. But, on the other hand, we can well imagine that there is a certain type of serviceman who says, 'What, the public wants to know? Well, damn them, they won't know' ". It is that kind of thing that we want to be protected against, both from the serviceman and, quite frankly, from our political associates.

I said I was going to be brief. I think I have covered all that I wanted to say. I take my seat saying this: We are being asked to spend—I will not haggle at the moment about a mere couple of hundred million; I will leave it at the lower figure—$425 million, which is quite a bunch of money. We in the opposition feel, and are entitled to feel, that unless we are taken into confidence more than we have been we cannot vote on this in an intelligent manner, by which I mean that we cannot make up our minds on direct evidence which is the only proper way for even semi-intelligent people to make up their minds.

Mr. Claxton: Mr. Chairman, I should like very much to enable the hon. member for Greenwood to get the kind of information on which he can make up his mind; I should like to do that, but I just do not know how to do it. Day in and day out we have been subjected by the opposition to the charge of withholding information. Today some hon. members opposite said that we had held off presenting the estimates for the department of defence until the end of the session for some obscure purpose, which no doubt they were implying was a wrong one.

I want to tell this committee that I do not know of any information that has been withheld except that a year and a half ago when the hon. member for Calgary East asked for the strength of a parachute battalion which was trained and ready to face the enemy. I think that is the only specific question that I said I could not answer on security grounds, in addition to one or two others of a similar nature. On the advice of my advisers I felt that it was not in the interests of our country to give to any prospective enemy the one bit of information he wanted. Apart from that, time has been spent unreasonably with the suggestion that we are withholding information, time that might have been better occupied in requesting information which I would have been glad to give.

With regard to the consideration of the estimates, may I say that in the years I have occupied this position, that is since the end of 1946, the discussion of the estimates of this department has not been curtailed by the lapse of time on any single occasion in any one of those years. It has ended when the questions that were put, which were not rhetorical questions but those seeking information, were answered and there were no more questions. I feel that this committee is entitled to get everything possible, and that has been my view right through. If there is anything that we can give that we have not given, tell us so that we can give it and not keep on saying that you have not information that you have never asked for.

Comparisons are frequently made, and properly so, between the practice in this house and that in Westminster. If hon. members will look at the debates of the House of Commons of the United Kingdom they will see that four days were set aside for the discussion of the defence estimates. They will see also that the discussion proceeded very much as it has this afternoon, with few inquiries for specific bits of information but a good deal of observation and suggestions, a good deal of puzzlement being indicated. That is all quite proper because these are puzzling and difficult times. But in the end the parliament at Westminster did not get anything like the quantity of information that is given to this parliament in respect to defence estimates. I do not try to justify our position because we have no position except to give everything that is reasonably possible. But I do say that when we are continually charged with refusing to give information when the information is not even asked for, then I think we ought to get on to the next question.

With regard to the observations of the hon. member for Greenwood, the hon. member for Calgary East and the hon. member for Kamloops, may I say that these are difficult times indeed. It is very difficult for us to know exactly what the next ten years will hold. We cannot report history until events have taken place. But the same difficulty occurs in every country. Our desire is to work together with those other countries in order that we may make the best possible use of the

resources put at our disposal by this parliament, speaking for the people of Canada, for the defence of our country, and not only of our country but of all countries with which we are allied.

I suggest that that is our object, and I am sure that that is the object of all members. I am sure that that is the desire of the people. Contrary to the views expressed by the hon. member for Greenwood I believe that the interest in defence has never been greater than it is today. I believe that the support for national defence throughout the country has never been greater than it is today. By reason of that support and by reason of that interest we are having very considerable success in the development of our reserve army as well as of our active forces. They are people of whom the Canadian people can well be proud.

I would be only too glad to deal with these questions in any way in which they can be dealt with properly according to our rules and in accordance with the decisions of this house, but I really must resent the continual suggestion that I am withholding information. If hon. members feel that I am doing that, then I assure them that it is for no other reason than that the uncertainties that are ahead cause one who is in a position of responsibility to be pretty cautious about his prophecies for the future.

If you look at the discussions in congress or in any of the other parliaments of the commonwealth you will see that there has been expressed exactly the same point of view as was expressed by the hon. member for Greenwood. I must say that I feel sympathy for his point of view, and I think he sympathizes with me in mine.

Mr. McLure: Mr. Chairman, I am not going to make any lengthy remarks about defence, but I was interested in hearing the hon. member for Greenwood say a few moments ago that there was no interest in this country in the estimates now before the committee. I shall go a step further and say that there is very little interest in them in this house. Between 4.00 and 4.25 this afternoon I counted the number of members in the house. At that time there were 14 Liberals, 10 Progressive Conservatives, 2 C.C.F.'ers and 4 Social Crediters, a total of 30.

Mr. Stewart (Yorkton): How many committees were meeting at that time?

Mr. McLure: You will have your chance later on. That shows the amount of interest taken in these estimates. I was glad that the minister said that now we can get an answer to any question we like to put to him. I have two or three questions concerning defence, and he can answer them very quickly. When his estimates were up a year ago I asked him at that time about the naval barracks to be built at Charlottetown, and I got a very interesting answer. He said that it was under consideration and I could look forward to seeing them built almost before I got home. I should like to ask him the same question again. In this vote of $384 million is there anything for the naval barracks at Charlottetown?

I also asked him a year ago about the armouries and he gave me the pleasing answer that it was under consideration. Charlottetown was the second place where armouries were to be built. Then a short time ago I asked the minister a question with reference to the bombing range off the north shore of Prince Edward Island. I had previously asked the Minister of Fisheries the same question because the interests of the fishermen of Queens county were involved. The Minister of Fisheries had no answer for me at the time but his parliamentary assistant gave an answer that did not answer the question in any way at all. About ten days later I asked the Minister of Defence the same question, and he said his answer was the same as that given by the parliamentary assistant to the Minister of Fisheries. That was nothing, so I had two nothings. I am asking the question once more because the fishermen of Queens county are nervous about the matter. They are wondering whether they will have a bombing range in the neighbourhood of their best fishing territory off the north shore of Prince Edward Island. Surely we can get some information whether it is going to be within the three-mile limit or outside the fourteen-mile limit.

If it is outside the fourteen-mile limit I would not have much to say about it. If it is just outside the three-mile limit it will be the ruination of the best fishing grounds on the north side of Prince Edward Island, which provides a living for a thousand families. I cannot see why they desire to have a bombing range there. Is it only because the R.C.A.F. unit want a range nearer to their base? There is a range off Chatham. It is marked as a danger zone, and it is only a few more miles for them to fly over there where they can conduct their bombing practice. I would like the minister to give a definite assurance to the fishermen of Queens county in Prince Edward Island as to where the bombing range is to be placed this coming summer.

Mr. Claxton: As to the naval barracks, as I told the hon. member, there are three places

in Canada out of twenty-one naval reserve divisions where new barrack accommodation is needed. Charlottetown is one of them.

Mr. McLure: Good.

Mr. Claxton: As I told the hon. member before, just as soon as we can reach Charlottetown in the order of priorities we will try to provide adequate accommodation there. In the meantime the naval reserve division has very good accommodation in Charlottetown. It so happens, however, that the provincial government, from which we lease it, wants it back, and we are anxious to accede to their desires as soon as possible. The need of the army for an armoury was also referred to by the hon. member. In proportion to the number involved the army needs more armouries than the navy needs barracks. We have acquired several armouries during the last year and commenced the construction of one new one. We are commencing the construction of several others. The last time I was at Charlottetown the impression I got was that for the short term Charlottetown is rather well off because the armoured unit had been moved out to the gun park and the other units were able to use the space left which they found ample. That is not a long term solution, but having regard to the needs of other places that appear to be greater it struck us that Charlottetown was in relatively good condition.

As to the bombing range, we are working with the Department of Fisheries and the people on the spot to try to secure an area which will be adequate for bombing and firing practice, and which will not destroy the best fishing territory off the maritime provinces.

Mr. McLure: Will it be within the three-mile limit or without the fourteen-mile limit? That is what they are anxious to know.

Mr. Claxton: We are working on that now. The hon. member for Kamloops raised a question of considerable interest and importance that I have not dealt with before, the matter of headstones on Canadian graves. I think it was first raised recently in an article in the Vancouver *Sun* and another article in the Victoria *Times*. It was raised first in the house by the hon. member for Nanaimo. Since then I have had it looked into, and it was found that in 1946, when arrangements for permanent headstones on Canadian graves were being made with the imperial war graves commission, instructions were given that resulted in infantry and armoured corps personnel being described in exactly the same way as members of the artillery, engineers, army service corps and other similar units, without reference to their particular unit but with reference to their corps. The headstones would have the name, number, rank and the Canadian maple leaf. Then if they belonged to the Canadian infantry corps the headstones would have Canadian infantry corps on them in the same way as the artillery would be described as artillery. That was done before I took over this post. On the matter being raised again I have looked into it. I must say, having had a mixed service career in that I was in the artillery, like the leader of the opposition, and before that a member of an infantry unit, I can see both points of view. But I do think that the matter having been raised, and knowing the regimental traditions of the famous units of Canada, including the armoured corps—they are largely succeeding the cavalry—and the infantry, probably a considerable majority of the members of those units, and of their next of kin, would desire to see the names of the units put on the headstones. I found that a number of headstones have been erected with "Canadian Infantry Corps" or "Canadian Armoured Corps" on them, but pending further examination as to the possibility and desirability of what should be done I stopped further erection of headstones. We are actively exploring the possibility of having the names of the units of infantry and armoured corps put on the remaining headstones to be erected, and also replacing those already erected. At the present time that is certainly my own view, that it should be done; and that would be in accordance with the wishes of a great number of the men in the units and their dependents. That action has already been taken, and just as soon as we can secure a report on the situation from the imperial war graves commission, I shall make an announcement to the house. I hope it will be along the lines hon. members would like.

Mr. Fulton: I should like to express immediately, on behalf of all the members, and those who have brought up the matter with the members, their gratification at the sympathetic attitude shown by the minister to that request. I hope the report receives the kind of consideration which will enable the steps to be taken which the minister has indicated he personally favours, namely, the placing of the individual units of infantry or armoured corps on the headstones of the graves overseas.

I should like to refer to the statement just made by the minister to the effect that he feels there is not much justification for the criticism that information has been denied. My attitude towards that question is not so much that we say the minister refuses to answer questions when asked during the course of the discussion on his estimates, as

that we are not in a position, owing to the manner in which the estimates are discussed in the committee of the whole, to direct the questions which will elicit the key information we desire. This matter has been discussed before, and I am not going into the details again, but so far as I am concerned that is the gist of the complaint. It is not that if we ask some general question we do not get a general answer. We do. But it is extremely difficult if not impossible under the procedure which we have in the committee of the whole, without any background information, for us to ask those questions which will produce the information we really want concerning the basic defence policy considerations which result in these estimates before us. That side of the problem has not been dealt with by the minister in the statement he just made. I do not think it could be dealt with except by adopting the procedure we have suggested before, and which the minister knows we have in mind; but I shall not press that matter now in view of the earlier decision.

There are some questions which were asked today and which, in the light of the minister's reply, I should like to follow up. I refer particularly to the question concerning the effect on our defence policy of the decisions taken at the London meeting of the Atlantic pact nations. This afternoon the minister said there would be no immediate consequences on our defence planning or defence program. As I recall his words this afternoon in that respect, he said that the formal adoption of the principle of balanced forces would not have an immediate effect on Canadian defence planning, because we have always regarded the defence of Canada as a part of the defence of an area, and the defence particularly of the North American continent. Then he went on to say, with respect to the question of commitments which Canada had accepted under the North Atlantic treaty, that we had undertaken no military commitments. I believe he doubted whether the working out of the Atlantic treaty would involve the acceptance by various powers of military commitments. If we are going to confine the word "commitment" to the dictionary meaning, I suppose that would be an acceptable answer. But surely, Mr. Chairman, if, as we are given to understand, the theory on which the Atlantic powers are working is that there shall be a joint over-all scheme of defence under which one of the powers when attacked will be immediately assisted and defended by the others, that calls for an over-all military planning. Surely it calls for the creation of planning and the preparation, in the initial stages on paper and later I would hope in being, of a joint or composite defence force. If we are to have that defence force which will be available under any one of a given number of circumstances to defend any one of the Atlantic nations which may be attacked, then surely the joint over-all military command must know which nations are going to furnish which part of the forces, at least in a general way. Even though we may say we are not going to accept military commitments in the technical sense of the word, surely we are going to indicate we are prepared to accept certain responsibilities with respect to our contribution to that joint force. It is that aspect of the matter about which we are seeking information. What is the basis of Canada's approach? Which element or elements of the joint force does Canada feel she can best furnish? Which elements do the other nations with which we have been in consultation, and which elements do the Atlantic defence committee, feel Canada should undertake to furnish with respect to that joint effort?

In referring to my suggestion that there had been a change in emphasis resulting apparently from a change in policy with respect to the acquisition of equipment, the minister said that there had been no change in emphasis. He answered the comments I made this afternoon by saying the editorial in the Montreal *Gazette* to which I had referred was based on an inaccurate interpretation of one of his earlier statements. Mr. Chairman, I did not criticize, nor did I intend to imply any criticism of, the emphasis being placed on equipment. What I did say was that statements made in recent months to the effect that a heavy proportion of our defence expenditure was going towards equipment did indicate to me, on the basis of a comparison with earlier statements, that there had been a change. We are now, as a matter of policy, concentrating heavy expenditures on equipment, whereas earlier we had said, and the minister referred to the statement he made two years ago which I think substantiates it, that in this changing world we should not commit ourselves to any formal design for our forces, or any substantial commitment on equipment, because we might find when we needed it in an emergency we were saddled with equipment of an obsolete type.

Mr. Claxton: I have not said anything of the kind.

Mr. Fulton: That is certainly my interpretation of the minister's own statement of 1948 which he himself referred to. I cannot see any other. As I recall the gist of his remarks at that time, he said that we should not undertake any heavy expenditures on equipment—and I am really just trying to interpret or paraphrase what the minister said. I hope he

will correct me if I am wrong. I hope he will explain what he did mean. As I understood him, he said we should not make any heavy outlays with respect to equipment which might result in our being equipped and armed with weapons which were obsolete at the time when an emergency arose and when we might require them.

I am afraid that I cannot be satisfied by the minister saying that he did not say that. He may not have said it in those words but certainly it seemed to me that was the implication of what he said in 1948. I ask the minister this direct question. Is there not an increasingly heavy emphasis being placed in this year's estimates and in the forecast for next year's estimates on the provision of equipment? And if it is a heavier emphasis than was placed on that aspect in 1948, what is the reason for the change in emphasis? Is there a change in value? Is there a new assessment of the situation which has brought about the increasingly heavy expenditure on equipment?

Mr. Claxton: I can answer that question quickly, Mr. Chairman. There is no change yet in plan, because what is being done now was envisaged then. What I said at the time, after pointing to several dangers, was that there is a danger of getting large stocks of equipment that will become obsolete. But I did not say that we were not going to get any equipment. What has happened is that we have been using up stocks of equipment that we had left over from the war, and we have to replace them. In addition, aircraft and antisubmarine vessels that we were planning to construct in 1949, 1950, 1951, 1952 and 1953 were still in the design and development stage in 1947, 1948 and 1949. That is perfectly sensible, as the hon. member I am sure agrees.

I did not for a second suggest at that time that we should not require the equipment. But I would remind the house that in 1946 and 1947 it was not possible for us to spend all the appropriation that was voted by parliament at that time because of the rapid expansion of civilian industry and great need for civilian goods. At that time we felt that civilian needs took priority over military needs, particularly in view of the fact that we had considerable stocks left. But the next year that situation had eased and we moved into another period. We are now spending, as I say, 28 per cent on equipment. I should like to be spending more but I still think we are spending more proportionately than most of the other countries with which I am familiar.

Mr. Fulton: Has the minister anything to say with reference to my further question about our responsibilities under the Atlantic pact and how far the joint defence committee may have proceeded in dealing with the question of what countries are to furnish what elements of a joint or balanced force?

Mr. Claxton: There I cannot go beyond what I said before. Up to the present time we have an undertaking to do our best. That is what it amounts to. We are doing what we think it is right and proper for Canada to do at this time. It may be that circumstances will develop which might require us to do more. That would be for parliament to decide. But at the present time we feel that we are doing what we can.

With regard to this question of commitments, surely the hon. member and the committee recognize this fact. Staff planners may tote up a list of requirements in order to meet a possible act of attack or act of aggression in the year 1952 or 1953, showing a requirement for so many divisions, so many tanks, and so many aircraft. Then they look around to see where they can get them. That is a proper and necessary part of staff planning, and that is going on. But when it comes to the actual provision of what will be necessary or what can be done, that is a matter for each government to decide. But the Canadian government will only make decisions of that kind after consultation with our partners, and we will work together with them. We will only be able to implement any decision if we get the consent of parliament. In the United States and in the United Kingdom I have seen, on their records of congress and of parliament respectively, inquiries as to what their commitments were; and exactly the same answers have been given in both countries as I am giving now. We simply cannot anticipate decisions before they are arrived at.

Mr. Fulton: What I was really asking is perhaps answered. The planning under the Atlantic treaty, or the defence committee aspect of it, has not proceeded to that stage. That is the real meaning of the minister's answer, is it not?

Mr. Claxton: Mr. Chairman, the members of the North Atlantic treaty organization met in three or four different committees. The council of foreign ministers met at London. The defence committee of defence ministers, met at The Hague, in Paris and at Washington. The military committee composed of the chiefs of staff have met similarly on three occasions. We agree at the end of each meeting on a joint press communiqué and that is issued in consequence of each meeting. That is what is disclosed, and that gives the main gist of the result of the

meeting. If my hon. friend will look at the statements made by my opposite numbers, Mr. Shinwell in the United Kingdom, Mr. Pleven in France and Mr. Louis Johnson in the United States, he will see that the statements they make are on all fours, I believe, with the statement I am making about the present stage of defence planning of the North Atlantic treaty organization.

Mr. Jones: The minister intimated that he would welcome specific inquiries for information. I should like to make a specific inquiry about the department's policy with regard to Vernon camp. Vernon camp represents an exceedingly heavy investment for the department. They put in a water system, a sewerage system, a first-class hospital and several excellent buildings including drill halls and everything else. All these buildings have apparently been abandoned by the department. In view of the ideal situation of this camp and the great use to which it was put in the first and second wars, and in view of the fact that both the ground, the climate and the surroundings are ideal for proper training, especially as it is in the interior of British Columbia, and is not as vulnerable as it would be on the prairies or at the coast, I feel that the department has neglected this camp, which is its own asset. I should like to ask the minister if he contemplates, in the increased estimates, making greater use of that camp on a permanent basis and bringing people from the various parts of Canada to be trained there. There are available there facilities for long-range fire, for commando training, for hill climbing, for tank training and for practically every mode of defence training. With the investment that we have represented there, I feel that some use should be made of that camp. I was wondering if the minister has that in mind.

Mr. Claxton: Vernon camp at the present time is certainly being used as a cadet camp. We are keeping up the buildings and are maintaining the camp. At the present time the general policy is that major units, particularly armoured, artillery and infantry, will go to very large camps, to large centres where there are very large ranges, for exercises during the summer months and also during the winter months. Generally speaking, the British Columbia units go to Wainwright, Alberta, where we have a magnificent exercise ground of something like a thousand square miles. That is the general practice. However, we have in mind the natural beauty and advantages of Vernon and there is no intention to give it up, but to keep it going. I will look into the question of further use.

Mr. Jones: Will consideration be given to the city of Vernon being used for exhibition purposes again?

Mr. Claxton: My information is that it is being used now as an army cadet camp.

Mr. Jones: Not all, only part of it.

Mr. Claxton: We will look into it.

Mr. Drew: I raised a question before in regard to this item, which is contained in vote 202. I believe that the minister now has the statute before him. I would ask him if it is not his opinion that it is section 39 that is referred to instead of section 29?

Mr. Claxton: No, it is section 29.

Mr. Drew: Oh?

Mr. Claxton: The section as it appears in the Statutes of Canada, 1930-31, 21 George V, chapter 27 reads:

> 29. (1) No contract, agreement, or undertaking of any nature, involving a charge on the consolidated revenue fund, shall be entered into, or have any force or effect, unless the comptroller, or an officer of the Department of Finance designated by him and approved by the treasury board, shall have certified that there is a sufficient unencumbered balance available, out of the amount authorized by parliament for the particular service, to pay any commitments under such contract, agreement or undertaking which would, under the provisions thereof, come in course of payment during the fiscal year in which such contract, agreement or undertaking is made or entered into.

Section 39 reads:

> 39. The governor general may, for the more complete examination of the accounts of Canada, and for the reporting thereon to the House of Commons, appoint an officer, under the Great Seal of Canada, to be called the "Auditor General of Canada" and such officer may be paid out of the consolidated revenue fund a salary at the rate of fifteen thousand dollars per annum.

That deals with another matter. I think some possible misunderstanding may have arisen since the Consolidated Revenue and Audit Act was re-enacted in 1931 and the enumeration of the sections was completely changed. The section I have in mind is 29.

Mr. Drew: If that is so then it of course does give strength to the point that was raised, because this would be quite meaningless unless the effect of the voting of 202 is to commit this parliament to expenditures beyond the figure that is indicated.

The effect of section 29, which the minister has just read, is that amounts cannot be paid beyond the amount actually voted. The result of the wording of vote 202 is that such a limitation is removed, and consequently the whole commitment made by vote 202 becomes the commitment that this parliament approves. The word "commitment" is actually used, because vote 202 reads as follows:

> To provide for the defence forces of the navy, army and air services, and to authorize total com-

mitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

I submit that the effect of that is perfectly clear. This parliament, by voting this item, makes a commitment of $579,301,670 under this item alone. Then under another item it makes a commitment of $27,983,161; under another item $316,120; under another item, $15,814,215; or a total of $623,415,166. The importance of that is this: Without in any way at the moment questioning the necessity of the amount, the fact remains that we are passing on that amount by this vote, and this vote is one of those votes which appear in a number of places in these estimates which do more than merely allocate money. I might say that that is the stated opinion of the treasury itself. This is one of these cases where the decision of the house to pass the vote carries with it authority to go beyond the amount of the item itself. That being so, we are dealing here with this very large sum. And far from anyone indicating any impatience if a good deal of caution and a great deal of interest is displayed in finding out what lies behind this very large sum of money, there should be an earnest effort on the part of every member on both sides of the house to find out exactly what this money is being spent for or will be spent for and what it will produce; because this is an expenditure on national defence in peacetime such as this country never contemplated in the past.

Whether this amount is required or is not depends entirely upon whether Canada is getting value for the money spent. I must say that the impatience of the minister with the remarks made by the hon. member for Greenwood was hardly in keeping with the actual situation. He said that day after day we hear the suggestion that information cannot be obtained. Day after day this has not been before us. It came before us once during this present session on March 17, and this is June 8. Since that time, when the minister made his statement—there was an opportunity to reply, and only for a limited part of the day at that—this now comes before us. It is my hope that the minister will carry out the offer that he has made, and give us details upon which we can fully discuss this whole subject.

Here we have one item covering $384 million. Then there are two other items I referred to. It is true that at the back of the book we get what are described as details. In the case of national defence these are not details at all. They are not details from which any member of this house can draw any real information unless he is prepared to take the broad assurance that all is well in the best of all possible worlds as administered by the Minister of National Defence.

Some hon. Members: Hear, hear.

Mr. Drew: Of course, it is a very happy thing to have that blissful measure of confidence which is based upon absence of any information.

Mr. Harris (Grey-Bruce): We know him better than you do.

Mr. Drew: The Minister of Citizenship and Immigration who is doing everything else said that he knows it better than we do.

Mr. Harris (Grey-Bruce): I said, "I know him better than you do".

Mr. Drew: He knows him better. Consequently because he knows him better he is prepared to take a blanket assurance without any more knowledge than is contained in these statements. That is exactly what I suggest to every member of the House of Commons is something that must be very disturbing to the people of this country, because we are seeing here a commitment for the Department of National Defence alone for a figure larger than was asked for in any ordinary budget up to the years before the war for the requirements of Canada.

Perhaps that amount is required. But there are ways in which this information can be presented to us which would make it possible to discuss these estimates with some knowledge of the facts. The hon. member for Queens referred to a statement last year about a naval barracks. Mr. Chairman, it should not be necessary to bring up an item of that kind in a general way because, if hon. members will look at the estimates for the Department of Public Works, they will find that every item of that kind is covered in detail. One can find out exactly what the Department of Public Works intends to spend on public buildings in each community across this country. Hon. members can direct their questions to specific details in the estimates themselves.

There is no reason at all why these estimates of the Department of National Defence could not give that same information. Let us examine what is regarded as detail in this statement of estimates. For instance under "Navy", the general heading, we find this:

Acquisition, construction, purchase, maintenance, repairs, rentals and operating expenses of properties, $9,920,000.

Does any hon. member know what that means?

Mr. McIlraith: We all do.

Mr. Drew: I imagine the answer that has been given by the hon. member is a fair test of his contribution to the useful discussion of the house. There is no hon. member here who can draw any single piece of definite information from that general statement.

"Acquisition of property"—what does that mean? It means purchase of properties, and in other departments of government that information is set out in detail in a way that we can examine it. Then we pass one to the next item:

Personnel supplies and services: Food supplies, medical and dental supplies and services, clothing and personal equipment, barrack, camp, hospital and miscellaneous equipment, laundry and dry cleaning, $5,770,739.

Stores and equipment; signal and wireless stores, ammunition and bombs, armament stores, mechanical equipment, including transport and spare parts, acquisition, construction and repair and upkeep of ships and naval aircraft, naval and aircraft stores, $38,135,386.

That is the whole of the information we get in what are described as details in respect of the navy.

Mr. Cote (Matapedia-Matane): Unbelievable! Unbelievable!—that a former brass hat does not understand it!

Mr. Drew: It seems to me that the mascot from the baseball game must have strayed in here unnoticed.

Mr. Cote (Matapedia-Matane): He is still here for other purposes.

Mr. Drew: The same type of detail is available for the army and the air force. The situation is this—

Mr. Cote (Matapedia-Matane): And he is not getting—

Mr. Drew: Mr. Chairman, I do not believe there is the slightest chance that now or at any time in the future the hon. member who is making these unintelligible noises will make any useful contribution to this or any other debate. I am not going in any way to pay any attention to the comments he is making; and I would suggest that if he cannot understand what is being said he either keep quiet or go outside.

Mr. Cote (Matapedia-Matane): Oh, wait a minute, wait a minute; Mr. Chairman, this is not a fascist organization. We are in a democratic organization. I do not agree that any man, even though he is the leader of a party that went down to defeat, should suggest anything of that sort—oh no!

Mr. Drew: This is certainly a democracy and I was suggesting that the hon. member remember that it is a democracy and that he should stop making noises of the kind he was making, and either listen or enjoy himself in some other way.

Mr. Cote (Matapedia-Matane): I can enjoy you.

Mr. Drew: Then the hon. member will have an opportunity for some little time.

This afternoon the Minister of National Defence stated that the information we had received in regard to the effect of the recent meeting in London was going to have no immediate effect on our preparation for national defence. Well, I think it would be well to refer back to what the Secretary of State for External Affairs said three days ago. Either his words were intended to convey some meaning, or they were not. I think hon. members gathered from those words, as the press of the country did, that there had been an important announcement which indicated a new concept of the relationship between the governments of the Atlantic area in dealing with this whole problem of the combined preservation of peace in the face of one threat, and one threat alone.

The Secretary of State for External Affairs said on that occasion:

It seems to me, Mr. Speaker, this is no less than the principle of the international division of labour to be applied amongst the members of the north Atlantic community for collective defence. We are now pledged—

Mark that word.

We are now pledged to do within the framework of the North Atlantic alliance what each of us has already been doing within our national defence system. We shall try to agree amongst ourselves which of us is the best able to concentrate on certain types of defence preparation.

This principle may come to mean the further application to defence, new techniques and tactics of scientific warfare; and eventually, possibly, to the abandonment of the old concept of defence by great masses of conscripted infantry, the bulk of which would be reservists called up on the outbreak of war.

That statement undoubtedly conveyed to the minds of many of us, as it very noticeably did to the editorial writers of a number of newspapers across the country, the idea that there was an intention here to allocate to each member nation a particular task that it could best perform in a combined military plan for the defence of our freedom. Then the minister went on to say:

In this planning allowance has to be made for the fact that certain states have commitments which are external to the north Atlantic area. Allowance has also to be made for the specially exposed position of some states to meet an initial attack.

And then the following words, it seems to me, presented to us a new idea of the role of different nations in relation to this pact.

These were his words:

> The acceptance of "balanced collective forces" does not of course imply a strategy by which less exposed countries, or at least countries less exposed to ground attack, can collect their resources of men and material behind the ramparts of sacrifices made by others so that eventual victory can be achieved. North Atlantic strategy cannot mean, and our agreement does not imply, a strategy of liberation after destruction and occupation. There could be no hope for Europe in that strategy because the next time there may well be nothing to liberate.

Then he went on further to say:

> The new principle recognizes, if I may pick out a purely hypothetical example, the waste and futility of one country trying to build battleships, let us say, if there are enough of these already in the navies of other members of the group. This principle in its turn must rest on the firm assurance that the other battleships, if I may continue that example, will be at your service if you need them.

Those words are not open to doubt. Either the minister of external affairs meant that or he was misinterpreting the situation. When he suggested that other battleships be used, obviously he intended that to apply to aircraft and to every defence arrangement. He then went on to say:

> Therefore I think, Mr. Speaker, that this decision in favour of balanced collective forces is of vital importance. Of course it is a decision of principle only. Many bridges will have to be crossed before its application can be worked out in practice.

I think what hon. members had hoped we would hear today was an explanation of how we are going to cross those bridges and when and how this country is going to play its part in that broad concept of balanced forces. Obviously what the minister of external affairs was saying was that this agreement means that we are not again going to be in the position of waiting while sacrifice at some distant point makes it possible for the nations less ready to prepare themselves to defend their freedom. I am simply interpreting in clear terms exactly what the minister of external affairs said—a very important declaration. He pointed out something that should be apparent to everyone today. Unless the nations which join in this are ready to use whatever force is necessary and to use it immediately, there may be no second chance.

Between 1914 and 1918, which is within the memory of many members in this chamber, the German onslaught was held by the sacrifice of the armies of France, of Great Britain, of Italy and of the other allies who were not fully prepared to meet that test. Human flesh and blood paid the price of that unpreparedness in desperate numbers, but nevertheless they were able to hold on those long lines of trenches. The United States came into the war in 1917 and then the combined strength of the free nations overcame the German power.

In the last war the striking power of Germany was infinitely greater in its relative strength. When the time came they turned on France and the low countries. Opposed as they were by highly trained and well equipped British troops, they broke that line in a matter of days, and in weeks Belgium, Holland and France had capitulated. That happened within a time that not one of us ever dreamed a great nation would be called upon to accept defeat. The thing that saved this country and other countries was the incredible miscalculation Hitler made when he turned on Russia, and when Japan attacked the United States and the combined forces of the United States and Russia were brought side by side with those of the nations of the free world. But at that time it was touch and go.

Today science has advanced hitting power to a far greater degree than was known then. The only defence of freedom that is going to be effective is defence that can be put into operation immediately it is required. I fully accept the proposition put forward by the Minister of National Defence that at all times this parliament must be supreme. I do not think anyone challenges that or would challenge that. But the fact remains that the words of the minister of external affairs were intended to convey only one thought, that there was a clear expectation that these nations would stand together and that the decision of one nation not to build battleships when another nation was building them meant that that other nation relied on the nation with the battleships using them.

If a nation relied on another nation to build aircraft and abstained from building them because of that, that abstention would be based on the belief that the nation with the aircraft would use them in the common purpose. If a nation which because of special industrial skill or facilities was able to produce the largest quantities of armoured vehicles and heavy land machines of war and concentrated on that production while others did not, those nations that had not those instruments of war would rely on their being used. The words of the minister of external affairs could have no other interpretation or meaning. In fact, there could be no other meaning behind this agreement which is now regarded as one of the historical documents of modern history.

If that is a correct interpretation then I think this committee must have heard with a great deal of concern as well as regret that we are not to be informed of any changes that are to be made in the organization of our defence forces in keeping with this allocation of special tasks.

An hon. Member: Amen.

Mr. Macdonnell (Greenwood): He is just agreeing with you.

Mr. Drew: I must say that I am happy that I have won at least one convert and that I am receiving support at this stage from an hon. member who earlier was unconvinced. This country and the United States are separated from Europe by an ocean which offers us a great measure of protection, but that ocean which separates us from the continental areas also imposes real difficulties of transportation. That is one factor that must be recognized in the examination of this whole subject. In Europe west of the iron curtain there are over 200 million people, people who can provide and who obviously are ready to provide the armed masses which would stand against attack if it should come. What they would require in this allocation of tasks is that those nations which are some distance away should provide those powerful heavy forces which can move at great speed and in compact formation so that they can immediately support, if the dreadful necessity should ever arise, those land forces which are prepared to launch themselves against the land forces of the only enemy that could possibly threaten our freedom. Therefore it seems obvious that on this side of the Atlantic any development of this concept of balanced forces means that in this country we would concentrate on the air force and on fast hard-hitting armoured forces which could be quickly transported to Europe or to any other battlefield that might be found necessary as a result of events of this kind. There are always those who will suggest that when we actually contemplate the reality of these things we are talking in terms of war. I submit, Mr. Chairman, that in discussing it in this way we are talking in the only terms that will preserve peace. One thing that opens the possibility of war at any time is the belief in the minds of the aggressor that those who are strong enough to defend their freedom will nevertheless not stand together immediately to do that job as one combined defence team. The one thing that will preserve the peace for which so many men and women died a few years ago is the belief in the minds of those who direct the only aggressor force in the world today that all the forces of freedom will be immediately ranged against them if they should attempt the aggressive movement of their armed forces.

Unless we are prepared to talk in terms of what this means then we have no right to be dealing in dollars with figures of this kind. When in peacetime we are dealing in terms of $625 million in commitments we can only be dealing with that if we believe that war is a danger, and that the only way we can hope to preserve peace is to make great expenditures of this kind. These expenditures are not for the purpose of having men and women in uniform. They are for the purpose of having men and women in uniform with equipment which will be effective in the event of their being required to use it. In this country today it is only necessary to ask how much of our armed force is in fact a hitting power in being and not simply a hitting power in preparation. Unless and until we have reached the point where whatever armed force we maintain is ready to go into action immediately, then we are not actually carrying out our part of the joint agreement upon which the hope of peace now rests so greatly throughout the world, and that includes those on the other side of the iron curtain as well as ourselves.

In so far as the reserve army is concerned, the Minister of National Defence has spoken about the splendid spirit of those in the reserve forces, and that is something with which every single person will agree. In two world wars, and before that, Canadians have demonstrated that there are no finer fighting forces in the world when they have been trained and equipped to do the job which we hope will never be imposed upon Canadians again in our lifetime. Nevertheless when we look at the reserve army and the money that is to be spent on it we certainly should have a breakdown in these items, as between the active and reserve armies, a breakdown that is clear and understandable so that we can examine what is being done for the reserve army as well as for the active force. When it comes to the reserve army it is not enough simply to have figures of the enrolment in the reserve units. I for one want to know about the attendance at camp of the reserve units, and that is one of the details I propose to ask for. I want to know what the average attendance of the enrolment of the reserve units is, because without that we do not know what the figures mean. The mere entering of a name on the enrolment books does not tell us the story.

At the present time our infantry units, with their great traditions behind them, are carrying out exercises with as high a degree of realism as is possible under the limitations that they must face. Very frequently they carry out their exercises over week ends. They do their drills in the various armouries across the country, and they get their firing practice and other training in camps in varying degrees depending upon where they are. So it is with the other units, but do not let anybody be under the impression that they are getting training which has brought them anywhere near the point that they could be put into the

field. For instance, take the case of the artillery. This is the sixth summer after V-E day, and yet in the sixth summer after victory in Europe no firing practice will be carried out at the artillery camps across the country because they have not yet reached the stage where that has become a practical possibility.

Mr. Claxton: The hon. member will excuse me, but his information is not in accordance with the facts.

Mr. Drew: I mean firing practice by units. There is firing practice where men go to camp and are permitted to take part in firing or to see firing, but that is not the same thing as firing in units.

Mr. Claxton: I am sorry, but the hon. member's information is not correct. Units go to camp as units and have firing practice.

Mr. Drew: As units?

Mr. Claxton: Yes.

Mr. Drew: Under competitive firing?

Mr. Claxton: Yes.

Mr. Drew: I will not enter into a debate about it. I will give the minister the information because I made inquiries about it only today. There is no need for us to exchange views on the matter because we can both satisfy ourselves in regard to the point. In so far as this training is concerned, it is not training that has reached the point where there would not be a very long time required to prepare these men for the field. The minister has said that the objective of the training is to bring them in conformity with the active forces as soon as possible, and that is a high objective. We have as fine men and women in uniform as anywhere in the world. On the grounds in front of the parliament buildings a few days ago most of those in this chamber saw the presentation of the colours to the Royal Canadian Air Force. They saw men in drill formation going through movements comparable with any they would see in the guards parade in London, or anywhere else in the world. Nevertheless, no matter how high a degree of skill may be shown in drill or anything of that kind, it does not meet the requirements unless we have those forces actually ready to take their part. I think it is essential that we know what percentage of the forces is immediately ready for active service if they should be called upon, and how many are in various stages of training, so that we who are called upon to vote the money may know what it is we are voting it for. After all, under our system of parliamentary government there is no single thing which so much tests the real functioning of our parliament as the exercise of full control of expenditures. There is no single function of parliament over which parliament has so jealously exercised that control as over the expenditures for the armed forces. It will be recalled that it was the allocation of money for armed forces that began our present period of parliamentary responsibility several hundred years ago. Parliament is in duty bound to find out what the facts are, and in duty bound not to accept broad assurances, no matter what their regard may be for any minister or for those associated with him.

This country has great opportunities to economize, while at the same time greatly increasing its military strength. In this country there is an opportunity for training air forces, and training fast hard-hitting land forces as well. So far as armoured units are concerned, we have the space in which they can train; in which they can move over great distances and gain a sense of manoeuvrability which was such a decisive factor in the last war. It was no accident of circumstance that General Patton made that tremendous sweep up from Brittany, which had such an effect on the whole course of the war in Europe. His armoured forces had been training in the great spaces of the southern United States. They were accustomed to sweeping movement at a speed that had never been contemplated by those trained in restricted areas. In this country men could be trained in armoured vehicles to move hundreds or thousands of miles if necessary, with hard-hitting power and at the highest of speeds. It also affords a place to train air force personnel, not only our own but those who would be associated with us, and not only in combat formation, bombing and navigation, as well as in the naval defence service, but in all the combined operations which form part of the great air movements today. This continent is the place where fast-moving and hard-hitting forces, whether in the air or on the land, could be trained, in a way that they could be trained in no other country in the world. In case anyone says, why could they not be trained in Africa or South America or Australia, the answer is that on this continent we have these great training areas in close proximity to the great producing plants where the largest number of motor vehicles in the world are turned out each year. Consequently these opportunities present themselves not only for training our own forces, but for training fast-hitting forces in the air and on the land of the combined nations which met in London a short time ago.

I do hope that in dealing with this the Minister of National Defence will not take

with any spirit of resentment the suggestion that there could be improvement. We do not want to see a repetition of what we saw on two other occasions, when attempts to bring up questions about items in the estimates were immediately presented as votes of confidence, and consequently placed in the position where there could be no free consideration of those votes. Let us examine this with full recognition of the vital importance of the subject we are discussing. I do earnestly hope that the minister will indicate there is some intention of examining our present structure so that there can be a reallocation of forces in keeping with the statement of the minister of external affairs only three days ago. There is no reason at all to believe that substantial economies might not be effected if we really followed a plan of concentrating on those things for which we could best train the armed forces.

In so far as the estimates themselves are concerned, I shall close these remarks by indicating a way in which I think the Minister of National Defence could save a great deal of time. He pointed out that in Westminster they set aside four days for the consideration of the defence estimates. We have only had a part of two days, so even if we move as expeditiously as they do in Westminster we still have more than two days left to consider these estimates. What we must remember is that the British house considers the defence estimates in four days because those defence estimates have already been before a subcommittee on estimates, before which the senior staff officers have appeared and been examined on the expenditures. This subject, therefore, has been reviewed just in the way other matters have been reviewed. Yesterday the Minister of National Defence expressed great satisfaction with the result of a committee which met to examine the defence bills that were before the house. The committee had the staff officers before it, and made some amendments in the bill. As a result of this combined effort, legislation emerged which quickly passed through this house. The government has seen fit, however, to oppose the appointment of such a committee. Nevertheless, there are still ways in which time could be saved.

I would suggest that time could be saved if the minister would give instructions to have a statement prepared showing the number of units, active and reserve, of the army, navy and air force, divided into the different types of unit in each of those branches. In the case of the army, that would call for a statement of the number of infantry units; the number of artillery units; the number of armoured units; the number of reconnaissance units, and the number of engineering units, in one column. Then there would be a statement of equipment which they should have, and in another column what they have; or if he will give it in terms of percentage even, that will be very helpful. In the case of the air force he should give the number of squadrons, fighter squadrons and bomber squadrons—no, we could leave that out. He could show the several types and the number of machines, and the personnel in each case. In the case of the navy, the ships and the personnel on those ships. Then, in relation to those divisions the expenditures to be devoted to each branch of the service during the present year, there should also be a statement showing the headquarters across this country, the personnel at each of the headquarters, and the amount that is being asked for the maintenance of those headquarters, the same as for the headquarters at Ottawa. Mr. Chairman, that would be in keeping with the type of information that is made available by other departments, and an examination of that would enable us to discuss these estimates with some knowledge of what is actually before us.

Then, in the case of buildings, there should be a statement prepared in exactly the same manner as that prepared by the Department of Public Works, showing the naval barracks at Charlottetown, if that is to be built this year; showing buildings of any kind that are to be erected in any part of this country. After all, these buildings are just as important as post offices and other buildings of that kind which are included in the details of the estimates by other departments.

Now, this information can be given. I submit, Mr. Chairman, that this is the kind of information we should have. It is certainly not more than we should have. From that we could then proceed to ask what the state of the training is of these various units, with knowledge of the type of units we are discussing; of the number of personnel involved; and why that money is required. Therefore, Mr. Chairman, I conclude these remarks with the earnest suggestion that the minister state that he will do this, and that before we again consider these estimates that information will be before us.

Mr. Thomson: Mr. Chairman, through almost two sessions I have sat and listened, but tonight I feel that the time has come when one as inexperienced as I am in parliamentary matters should have something to say. I have listened to the oration of the leader of the opposition. It was an excellent oration on his concept of the art of war. I noticed throughout that he sought more and

more information, as he did on March 14 of this year, when, as reported at page 762 of *Hansard*, he expressed himself in this manner:

> That is the kind of thing, Mr. Speaker, that makes it so utterly impossible for hon. members to have any confidence in the statements made here on national defence.

Later he said there was an attempt to mislead this house. He does better a little later on by saying that the Minister of National Defence has extended him every courtesy.

From my position I feel that there have been too many harsh things directed towards the Minister of National Defence. Over the years he has attempted to meet all questions frankly, patiently and thoroughly. To compare this department with the Department of Public Works is folly. It is not a department of public works. It is not a department of "public" anything. It is a department enmeshed in secrecy. If the leader of the opposition asks for more information, I might refer him to the Ottawa *Morning Citizen* of March 17, in which there is an editorial supporting to some degree, and maybe substantially, his claims for more information. That article reads in part as follows:

> It is true that some opposition members, notably Mr. Drew himself, have not been conspicuously cautious in the use of confidential military information in the past.

That may sound like a reason why confidential military information is not forthcoming.

In one part of his speech tonight the leader of the opposition said "this great expenditure in peacetime". Later he said, "we are talking in terms of war." With the latter statement I agree. We cannot cry "peace, peace" when there is no peace. We are talking in terms of war. He made a reference to the war of 1914-18 and indicated unpreparedness. Do we know today how well prepared our enemies are? If we do not, then we are not giving them information to tell them how well or to what extent we are prepared. He expressed his concern and regret that we are not to be informed. I would say to him that we each have equal positions in this house; and speaking from here, we are content that we are not entirely informed. We are content to trust the people that have been given the mandate to run this country.

Mr. Harkness: You are content to be a rubber stamp.

Mr. Cavers: So are you.

Mr. Thomson: We say that we are content with our government, and the people of Canada said so on June 27 last.

Mr. Knowles: Forty-nine per cent.

[Mr. Thomson.]

Mr. Thomson: Do not let any member here try to back away from that fact.

Mr. Fraser: Hurrah for our side.

Mr. Thomson: The cabinet was appointed after that, and then the cabinet appointed the defence board. Who make up the defence board? On it there is the Prime Minister of Canada (Mr. St. Laurent), undeniably Canada's greatest Canadian today. Who else is on it? The vice-chairman is the Minister of National Defence to whom everyone can offer plaudits, praise and thanks. Who else? The Minister of Trade and Commerce. Let me say this. It must be agreed and it is agreed that no shoulders bore a greater burden in the heat of war than those of the Minister of Trade and Commerce. No greater Canadian came through that war; no more was done by any person than was done by the Minister of Trade and Commerce. With him on the defence board we have the Minister of Finance and the Secretary of State for External Affairs. Their duty is to consider the needs of defence, pass it to the treasury board, pass it to this house, bring it back and then control the expenditure. But that is not all. Behind this defence board are the committees of the cabinet, the deputy ministers of national defence and the chiefs of staff. These men are not doing this alone. Do not let it go out to Canada that the Minister of National Defence is solely responsible for this. The Minister of National Defence is supported by a retinue of advisers unequalled in the history of Canada.

Mr. Fraser: You are singing for leadership.

Mr. Cavers: You will get it.

The Deputy Chairman: Order.

Mr. Thomson: I would suggest that that might be my hon. friend's greatest worry.

Mr. Fraser: Not a bit. That is what we should like to see.

The Deputy Chairman: Order.

Mr. Thomson: There seems to be a concerted attack upon the minister. Tonight he almost in a pleading way asked them to go on. He tried to show that he was ready and willing to answer in a constructive way or to listen to any constructive suggestions. But constantly he was plagued and held up to seeming ridicule. We can look at our Minister of National Defence and I think it can safely be said that from the services he is receiving great satisfaction, including loyal support from the officers and men of the three services. It might be a minor satisfaction to be abused in a manner similar to the way his predecessor was abused. Scripture was quoted the other day and I believe it can be quoted again:

"For so persecuted they the prophets which were before you." I do not want the minister to feel badly and to think that he is the only one that has been persecuted. Others have been persecuted before him. We can go back to March 1940 and quote the words of the Toronto *Star*.

Some hon. Members: Oh, oh.

Mr. Thomson: In his speech on March 16 the leader of the opposition is quoted as saying:

> I do not intend to waste any time on what Mr. Rogers says, however. That dyspeptic little son of Mars has been a standing joke in every military camp since he was appointed defence minister last September.

What do we find after that? The said late lamented Mr. Rogers, within ten days after that, held the biggest majority in the history of his political career and was returned with a majority of 2,134 to this house; and the Liberal party was returned with a majority of 67 seats, up to that date the largest in history. As I say, they did persecute those prophets that went before our present minister; because on October 6, 1944, the leader of the opposition is reported as follows:

> Referring to the reinforcement situation he charged Colonel Ralston with bearing "the heaviest load of guilt for this shameless situation", and described recent statements made by the Department of National Defence as "the most contemptible of all the contemptible excuses invented by guilty men to hide their guilt."
>
> Referring to Colonel Ralston he said, "Because of his bravery in action, and because of the stand he took at that time, he has been trusted and he has betrayed that trust."

Mr. Hodgson: Tell us why Ralston resigned.

Mr. Thomson: I say that these two men served Canada in war and in peace and they became targets of similar abuse.

Then we came to 1945. The leader of the opposition described General McNaughton as the most pitiful figure in public life, and in the general election of June 11 the government was again returned.

Mr. Hodgson: What happened to General McNaughton?

Mr. Thomson: General McNaughton is still regarded as one of Canada's greatest Canadians.

Mr. Hodgson: They did not regard him as such at the polls. He never was elected.

Mr. Thomson: If the hon. member for Victoria (Ont.) will just pause for a moment I have a few more pearls to cast. During the election of 1949 the leader of the opposition honoured Mr. Claxton with attention in speeches on May 9, May 18 and June 25. Mr. Claxton was flattered to have the opposition party spend $33,000 in attempting to defeat him, the biggest amount returned for any candidate in the election. The results of the election of 1949 gave us the biggest majority in the history of the country and gave Mr. Claxton a majority of 9,193, the biggest majority in the history of his constituency. You would think that possibly the opposition—

Mr. Harkness: Is this a political soap box, or a committee on national defence?

An hon. Member: You can't take it.

Mr. Thomson: I would suggest to the hon. member that if he does not wish to act in a democratic manner he could take the advice of his own leader and go outside.

Mr. Harkness: I asked a question and the hon. member does not seem to be able to answer it.

Mr. Thomson: You had the floor once, and you can have it again. It is all yours; I am not worrying about you.

Mr. Hodgson: Quote something else from the *Star*.

Mr. Thomson: I would be happy to quote things from anywhere that you gentlemen might suggest, but I cannot find anything in your favour.

Mr. Knowles: Address the Chair.

Mr. Thomson: I say that we are fortunate in having the defence committee as constituted and the cabinet as such, which have made disclosures to an extent greater than any other country in the world. Can we disclose things that may be taken by the enemy, or must we distrust everything? There must be trust in this House of Commons; there must be faith in the elected party, in the party that has been given the mandate to serve the people. Nothing can be better and nothing can be stronger than this. We have been given this trust. We have appointed our proper officers, our proper cabinet, and we will give an accounting of our stewardship. I have not attempted to revile the leader of the opposition. I have merely quoted his own words. I have only told you what he said about defence ministers of the past.

I would not suggest that we should lose him. We want him to remain with us. We feel that if he goes we will lose one of our best political friends. I hope that he stays forever, because we will then use the new residence of the Prime Minister for a long long time.

We want to know whether or not the defence minister is answering these questions properly. The majority of the house says yes, and we contend that the majority rules. I suggest that we get along with these

estimates, stop this nonsense and this constant picking away at a man and asking for things without suggesting anything.

The Chairman: Shall the item carry?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Higgins: I rather hesitate to take part in the pleasure of this debate at the present time because of what the last speaker has said. He has rather taken the attitude that you had better be careful or you may lose your head.

So far as I can see no time has been wasted. I have been sitting here throughout the day and to my mind at least the debate has been productive of some good. So far as I know no nasty words have been used. I did not see any need for the last oration we have had. So far as I am concerned it was entirely political.

Some hon. Members: Hear, hear.

Some hon. Members: Weak applause.

Mr. Hodgson: We have not so many rubber stamps.

The Chairman: Order.

Mr. Higgins: I merely have a few questions to ask the minister, but I should like to preface these questions by a comment with respect to the statement made by the Minister of Finance in the introduction of his budget. At that time he commented on the fact that Newfoundland was going to be a net burden on the federal treasury for many years. That was a most unfortunate remark so far as the people of that province were concerned. I am sure the present minister will agree with me that, if for no other reason than the strategic position of the island, that in itself would be of sufficient importance not to have made a statement of that kind.

Dealing with the strategic position of the island, there is the question of the Gander airport, and the very urgent necessity, I would say, of the lengthening of the runway. That is a big international airport. It is not from the point of view of the civilian use that I am speaking tonight, but it is the use by large transport planes and large bombing planes that are in existence today. This airport is now unable to handle these planes safely. The runways will have to be very considerably extended for that purpose. From the information I received from the Minister of Transport I judged that it is not contemplated that the runways will be extended immediately. It strikes me, Mr. Chairman, that this is a matter which should be taken into consideration because of what I read in a newspaper clipping. I grant the clipping is two months old. It deals with an interview with a Russian major who apparently escaped. He talked about manoeuvres which were held last fall in the Arctic by some 80,000 Russians. The exact words that he used in the interview are these:

> In the manoeuvres held late last fall, all maps and charts were duplicates of similar territory in Canada. The exercises were based upon the theory that simultaneous attacks were being conducted against twelve Canadian centres.

If this statement is true, and this article gives the name of the individual and everything, it would appear as though we were not too far away from the necessity of having all our airports in condition to handle the heavy bombers of today.

The minister might also think of the Torbay airport which was used so extensively in the last war by the R.C.A.F. The runways there, generally speaking, are unable to accommodate safely the large bombers. The other item is in connection with the reserve units now being formed in Newfoundland. From the return I was given, as it is set out at page 1569 of *Hansard*, the total strength of the regular army in Newfoundland is 52, consisting of 9 officers and 43 men. There are two reserve regiments now being formed. I am told in connection with the training of these reserves that there are no instructors available, and that the only personnel there capable of giving instruction are headquarters staff. I do not know whether that is so now, but that was the position in the middle of March when I was given the information. If that condition has not changed I do submit that some personnel qualified for that purpose should be sent there.

I do not believe at present they have enough men to do the training. I do not know what happened in connection with the naval installation. Last session when I mentioned this to the minister I believe he told me they were taking over some 22 naval installations and contemplated putting some in service. The minister can reassure us as to the situation. I believe he said at that time that the installation at Bay Bulls was going to be left in private hands.

The other point is that at the airport at Gander, and I presume also at Torbay, there is nothing in the way of protection. I am dealing with this matter perhaps in an amateurish way, because I do not know very much about it. However, it appears to me it might be wise to have at least a small mobile force there used to the terrain and the whole countryside. I do not know whether that is practical or not. I understand that it would not be practical to have

large forces in all places where there might be attack, but I should think it would not be too difficult or too expensive at a vulnerable airport to have a highly trained mobile force. I pass that along for what it is worth.

Mr. Claxton: Replying to the hon. member for St. John's East, as he knows, the question of Gander airport comes within the Department of Transport, because it operates that airfield. My recollection of the runways, from having been there, is that they are considered quite adequate for any present-day use, and that they are in good condition.

We have no present intention of enlarging or extending the runways at Torbay. The main Royal Canadian Air Force installation in that part of the world is at Goose Bay, where we have one of the greatest airports, built entirely by Canada, and with long and first class runways. There, in addition to the Canadian air force, there is a considerable strength of the United States air force.

On the island itself there are three United States bases, one at Fort Pepperell, one at Argentia, which is a joint air and naval base, and one at Harmon field, which is an air base. I feel that in the interest of a balanced collective force we should not add to the number of existing major airfields in Newfoundland at the present time. They are adequate for all the needs we can see ahead.

With regard to the defence of the field at Gander, the observations of the hon. member made on the same point in November were taken into consideration, and I discussed this question again with my advisers. Generally speaking it is not considered that the installation of a unit even as small as a company would be justified for that purpose at that place.

With regard to the other defence forces, the 52 in the regular army consist of staff, administrative and training officers and also supply services. It is not planned to increase those numbers in any considerable degree. The staff is considered to be quite adequate for the job. They will provide administrative and training staffs for the units, and I believe they will be found to be quite adequate.

In connection with the organization of units, as will be remembered, we established H.M.C.S. *Cabot* as a unit of the naval reserve. It had a strength on April 26 of 70 officers and men, including a very considerable number of officers in the neighbourhood of St. John's who served with the Canadian navy during the war. We also have 20 cadets at Memorial university who have entered the University Naval Training Division, and there have been established three units of the reserve army, consisting of the Royal Newfoundland Regiment, the 166th Field Regiment of the R.C.A. and the 56th Independent Field Squadron of the R.C.E. These were organized in January 1950. We have already very encouraging enrolments of officers, non-commissioned officers and men. This indicates that what the hon. member has said about the good spirit in Newfoundland is quite true. We are getting recruits there in considerable numbers and of good quality, and we hope before the end of this year to have these three army units and the navy unit organized on a sound footing. This is the first time that there will be any reserve navy or army units in existence in Newfoundland. I understand that neither prior to the first war nor in between the first and second wars were there any reserve units there. This represents a very considerable advance.

This work of organization has been greatly facilitated by the encouragement of former officers. I met them myself in St. John's on July 1 last, and I also met representatives of the municipalities and industries and Legion branches at Corner Brook and Grand Falls, where we are putting up armouries. When they are completed, as I expect they will be at an early date, we expect that there will be sub-units of these units established there, in a healthy condition.

We have established a permanent headquarters at Buckmaster's field with adequate buildings for all services. We have a cadet corps, a C.O.T.C. unit in connection with the university, and we have also recruited officers and men for the active force. Altogether Newfoundland has responded very well indeed to the appeals made.

Mr. Brooks: I wish to make only a few remarks. We have listened to the debate today with much interest and have heard practically every subject discussed, from the chaplain service to the general defence of Canada. So far as chaplain service is concerned, I agree entirely with what the minister said, that the chaplains should have officer rank. I have had some experience with chaplains in my army experience, and I am sure that the minister's idea is absolutely correct. There is no reason why the chaplain service should not be treated the same as the medical or the dental service. I used to think that it would be a good idea if chaplains had a little more military training because possibly the sloppiest salutes you saw in the army were those given by some chaplains.

An hon. Member: How about route marches?

Mr. Brooks: They usually did that. A good chaplain looked after his men and provided sports and so on, which is another reason why he should have a higher rank than that of an N.C.O.

I do not think the minister should feel too badly over the criticism there has been of his estimates. I think he must admit that both inside and outside the house there is support for his estimates. But we would like to know what the money is being spent for. I do not think anyone is suggesting that the estimates should be reduced. I can remember before the last war when the estimates amounted to only $30 million or $40 million, but there would be long debates and many hon. members seemed anxious to have the estimates not passed. There were members who belonged to the government side, the same government that is in power now, who asked to have the estimates reduced to $1. I think the Minister of National Defence has practically 100 per cent support. He can hardly complain if there is an interest shown in his estimates and if members want to know just why the estimates are to be passed.

In 1939, before the last war there was considerable isolationism in this country which is not to be found today. As far as defence is concerned I think the people from one end of Canada to the other feel that there is a necessity for the defence of this country. Both before the first great war and the second great war we perhaps felt we could rely on Great Britain and the British navy, but that is not the case today. A great deal has been said about the possibility of Canada being attacked should war start. I was interested in reading an article not so long ago which was dated in January of this year. The article stated that considerable attention is being given in the European press to the observation of Brigadier X, that in a future war the first soviet blow would be dealt against Canada. The article refers to another article in a Netherlands daily which stated that Canada would be the objective of a soviet invasion. It was stated that the military experts of the United States and Canada have good reason to realize the danger of a soviet invasion of the North American continent and that recently the Canadian people were faced with this hard reality by an article in *The Ensign* by Brigadier X.

We in Canada along with the United States are responsible for the defence of the North American continent. That is probably the chief obligation of Canada. I was sorry I was not in the chamber this afternoon when Exercise Sweetbriar was being discussed. We must ask ourselves what is the situation as far as the defence of the northern part of this continent is concerned. We are only a short distance from Asia and we are told that in Siberia there are 25 million Russians. That country has the same area as Alaska, which along with the northern part of Canada supports a population of only one million. We are told also that Russia retains about twenty divisions in the northern Siberia country. This gives us some idea of just what danger there is should Russia decide to attack from that quarter.

It also impresses upon Canada the necessity of training for defence in the north country. We know that this was realized by the Department of National Defence and the defence council because they have trained men in northern Canada along with the United States forces. Some 5,000 spent a few weeks in northern Canada last year and they came through their short training quite well. I understand that many things were learned by the defence departments of Canada and the United States and the minister might well tell us some of the lessons that were learned with regard to defence in the north.

We hear that the Russians are training the natives of the Aleutian islands and the Eskimos in Russia for scout duties and to act as glacier outpost patrols. When the minister speaks later I should like him to state whether Canada, and possibly the United States along with Canada, is making any attempt to train the Eskimo or those who live in the northern sections of Canada and Alaska.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris (Grey-Bruce): Tomorrow we will go into supply and continue with the estimates of national defence, citizenship and immigration and public works.

Mr. Green: In that order?

Mr. Harris (Grey-Bruce): Yes.

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

HOUSE OF COMMONS

Friday, June 9, 1950

The house met at eleven o'clock.

AGRICULTURE AND COLONIZATION

Fourth report of standing committee on agriculture and colonization.—Mr. Bater.

STATUTORY ORDERS AND REGULATIONS

TABLING OF CONSOLIDATION, 1949, VOLUME I, A TO D

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to table two copies of the first volume of the consolidation of statutory orders and regulations, which I mentioned in presenting the bill concerning future orders and regulations. I am doing so at this time so that hon. members who are interested may have an opportunity of seeing in what form these are to be prepared. I understand that there will be four volumes of these statutory orders and regulations. A fifth volume will contain as complete an alphabetical index and analytical table as we may find it possible to prepare.

Hon. members will see that these are lettered "A" to "D". The procedure that is being followed is to indicate the statutory orders and regulations under the statute which authorized the making of them. Whenever a statute authorizes the making, by order in council or by any other authority, of regulations having legislative effect, whether or not the power has been exercised, the statute is referred to and explanatory notes given. I believe hon. members will find that it is a serious attempt to make all these orders and regulations as readily accessible as possible to the courts, the bar, and the public generally.

I may add that as soon as the volumes are complete they will be distributed to all those who are on the list for the distribution of the annual statutes.

Mr. Fleming: May I ask the Prime Minister when it is expected that the volumes will be completed?

Mr. St. Laurent: The work has been completed, and it is now a matter of printing. I assume that, as soon as the session is over, priority will be given to the printing of the statutes of this session. There will be no avoidable delay in the office of the king's printer.

Mr. Fleming: Is it intended that these two volumes will be distributed now?

Mr. St. Laurent: No; there are not sufficient copies. Only a limited number of copies were run off, and I am tabling them now so that hon. members who are interested in seeing how the matters are being set up may examine them. As soon as the other copies can be run off they will be distributed to those who are on the list for distribution of the annual statutes.

FIRE AND FLOOD DAMAGE

FLOODS IN SOUTHERN MANITOBA—EXPRESSION OF SYMPATHY FROM ETHIOPIA

Right Hon. L. S. St. Laurent (Prime Minister): I am sure hon. members will be interested in knowing that I have been advised by His Excellency the Governor General that he has received the following message from the Emperor of Ethiopia:

Addis Ababa
June 6, 1950

Field Marshal Viscount Alexander,
Ottawa.

We convey our sympathy for the great flood losses and suffering in Manitoba. We would request Your Excellency to direct the distribution of Canadian dollars three thousand sent as a token of the cordiality and sympathy uniting the Ethiopian and Canadian peoples.

Haile Selassie
Emperor

To this message His Excellency sent the following reply:

Ottawa, June 7, 1950

His Imperial Majesty
Haile Selassie,
Emperor of Ethiopia,
Addis Ababa.

On behalf of people of Canada, I thank Your Majesty for your kind and sympathetic message to the Manitoba flood victims and for Your Majesty's very generous contribution for their relief. Your generous action and expression of friendship will long be remembered by the people of Canada.

Alexander of Tunis

The governor general is arranging to have the contribution from the Emperor of Ethiopia transferred to the Manitoba flood relief fund.

I feel sure that I speak for all hon. members and for the country as a whole in expressing deep appreciation of this very fine example of human brotherhood.

Manitoba Flood

FLOODS IN SOUTHERN MANITOBA—PROGRESS REPORT OF FACT-FINDING COMMISSION—FEDERAL FINANCIAL ASSISTANCE

Hon. Douglas Abbott (Minister of Finance): I wish to table a copy of a letter dated June 6, 1950, and attached memorandum addressed to me as Minister of Finance, and Hon. D. L. Campbell, premier of Manitoba, constituting a progress report of the joint commission on flood damage in Manitoba, which, as the house is aware, consists of Mr. J. B. Carswell, representing the dominion government, and Mr. D. Bruce Shaw, representing the government of Manitoba.

Perhaps I might add a few words. As the house is aware, I flew out to Manitoba on Tuesday afternoon. I had three purposes in mind. I was anxious to see a bit of the flood damage which had been caused. I wanted to discuss with the members of the commission and with the Manitoba government the progress which had been made in ascertaining the damage caused by the flood. I found that my visit was a most helpful one. The weather was such that I was able to fly down in the afternoon over the upper part of the valley. I found that the flood waters certainly had receded extremely rapidly, and it was quite clear that large areas which had previously been flooded were already clear and that seeding was taking place even in some of those areas. We flew at a low level. Some of the towns, particularly Morris, had suffered great physical damage to almost every building in the municipality.

The next morning I was taken to some sections of the city of Winnipeg, which I was informed had suffered the worst damage, and certain sections of St. Vital, and the Wildwood area. It is quite clear today; while it looked pretty bad, it was obvious that a week or ten days ago it must have looked a great deal worse.

In the evening I had an opportunity of discussing with members of the commission the draft of the report which in final form has been tabled today. Mr. Campbell, the premier of Manitoba, participated in those discussions. The following morning I had an opportunity of meeting the members of the Manitoba cabinet and, finally, in the afternoon, had a concluding meeting with the members of the commission and received their report in final form which I have tabled today.

I do not intend to discuss the details of the report. It speaks for itself. I just want to say that I do not think one can speak in too high terms of the way in which the people of Manitoba and of the city of Winnipeg have responded to the calls made upon them by this terrible disaster. I was greatly impressed by the way in which individual citizens were setting to work to clean up their houses and to do repairs to their buildings. I had a chance to call at the offices of the Manitoba flood relief fund. They have done a magnificent job in raising funds voluntarily from all parts of Canada and abroad. The municipal government and the local government authorities seem to be working in harmony to co-ordinate the various services at the different levels of government. It struck me that the rehabilitation authorities, in the assistance they were giving to repair of the damage caused by this disaster, were operating very efficiently.

I reported of course to my colleagues yesterday, and placed before them this report. In the light of the facts disclosed in this report the government has decided to include in the supplementary estimates, which I hope will be tabled within the next week or ten days, an appropriation for $12,500,000 as an initial payment to the government of Manitoba to assist it in discharging the obligations which it will have to carry out as a result of the flood damage.

In addition, hon. members will see from the report that the committee has suggested that in the urban areas of Winnipeg certain emergency diking measures might be developed in order to prevent a recurrence of these floods. As was the case in the Fraser valley, the dominion government of course would participate on the basis of 75-25 in the costs of such works, if it is decided to proceed with them; and in the supplementary estimates an appropriate amount will be included to cover an estimate of what might be required in that connection in the forthcoming period.

Mr. Knowles: May I ask the minister whether it will be possible to have the progress report which he has tabled printed as an appendix to *Votes and Proceedings,* or to have copies made available, so that we may all have it?

Mr. Abbott: It has been multigraphed. I asked those doing the work to be sure that there was a sufficient number of copies to make it available to all hon. members. If they are not already at the distribution office, I will see that they are there within the next half hour. I think that might be sufficient.

Mr. Knowles: Thank you.

FIRE DAMAGE AT RIMOUSKI AND CABANO—REPORT OF FACT-FINDING COMMISSION

On the orders of the day:

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I have just this to add in connection with the Rimouski and Cabano

disasters. A report has just been received from the joint commission, composed of Brigadier Theriault and Mr. Edouard Laurent. There has not been time to discuss the terms of that report with the premier of Quebec, but we expect that some time next week it will be possible to table the report and to make a statement in connection with those disasters as well.

PRIVILEGE

SOFTBALL GAME ON PARLLIAMENT HILL—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. A. L. Smith (Calgary West): I am rising on a question of privilege, Mr. Speaker, and I may say that this is the first time that I have ever had reason to complain of inaccuracies in the press. But in this morning's local paper, under the heading "Members wallop press, 15-6, in annual softball tussle," there is this paragraph:

> Conacher belted a pair of circuit clouts and a triple, while McDonald and Winters each hit one. George Hees, Liberal member for Toronto Broadview, added the last one.

I merely mention that matter, Mr. Speaker, because I knew that the government had great influence with the press, but I did not know that it went that far.

BACON

PRICE SUPPORT—AMOUNT PURCHASED UNDER UNITED KINGDOM-CANADA AGREEMENT

On the orders of the day:

Mr. J. A. Charlton (Brant-Wentworth): I have two questions I should like to direct to the Minister of Agriculture. In view of the fact that he and his parliamentary assistant are both absent, I would ask him to take this as notice and answer as soon as possible.

Has any decision been made with reference to the continuation of the price support program for bacon after July 1, 1950? How much bacon has been purchased to date by the board for the purpose of filling the requirements of the Anglo-Canadian bacon agreement?

FREIGHT RATES

INCREASE AWARDED TO RAILWAYS—REQUEST FOR SUSPENSION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): In the absence of the Minister of Transport, I wish to ask the Prime Minister if any requests have been made by the provinces to stay the coming into effect of the new increases in freight rates which have been authorized? If so, has any consideration been given to the matter, and what are the results, if any?

Right Hon. L. S. St. Laurent (Prime Minister): Requests were received from the premiers of Alberta, Saskatchewan and Manitoba, and those requests were considered by cabinet yesterday. Answers were mailed last night. If the hon. member is interested, I could have copies of the requests and copies of the answers tabled at three o'clock today.

Mr. Coldwell: Thank you.

[*Later:*]

TABLING OF CORRESPONDENCE REQUESTING SUSPENSION OF INCREASE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with the leave of the house I would ask to revert to motions so that I can table, as promised this morning correspondence with the premiers of Alberta, Saskatchewan, and Manitoba, requesting that the government suspend the coming into force of the recent order of the board of transport commissioners increasing the freight rate, and the answers that were sent to the premiers yesterday.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF FURTHER CORRESPONDENCE WITH RESPECT TO AGENDA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is some further routine correspondence with the premiers of the provinces concerning the agenda for the next dominion-provincial conference. It consists of letters written to the provincial premiers indicating the suggestions received from some of them about the agenda. Previously the correspondence has been printed as an appendix to *Hansard,* but since we are really operating as a post office to indicate to the premiers what has been received from the other premiers and asking them to make their own suggestions as soon as possible, I do not think that course need be followed.

Mr. Coldwell: They need not be incorporated in *Hansard*?

Mr. St. Laurent: I do not think hon. members would be interested in the text of these letters. It is routine correspondence.

BANKRUPTCY ACT

QUESTION AS TO PROCLAMATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Can the Minister of Justice now answer the question

I asked on Tuesday last in his absence with respect to the date of proclamation of the Bankruptcy Act?

Hon. Stuart S. Garson (Minister of Justice): I may say that we still have the target day of July 1 in mind, and I expect finally to confirm that date some time next week.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670, including authority, nowithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Mr. Brooks: At eleven o'clock last night I was discussing the situation in our north country. I had asked the minister questions as to what was being done by Canada to train our native population in the north country to assist in our defences. I had pointed out that Russia, according to the reports we have received, was making great use of the Eskimos and other natives in northern Siberia and on the Aleutian islands, training them as scouts and patrols and for other work in that country. We also have reports that they have established many scientific stations in their north country, and that they are experimenting with the growing of crops and food so that the people of that area may be self-supporting. All this of course proves to us that Russia intends to keep that country in such a condition that if she should decide to attack she would be in a position to do so.

The reports also mention the necessity for the training of our soldiers in north country fighting, and contend that great attention should be paid to the defences of the Yukon and northern Canada.

It was very interesting after the Sweetbriar training exercise to read the United States papers. I may say that the United States is not only equally interested in the defence of the north country; I think she is probably more interested than we are, on account of Alaska, and also of the threat to themselves.

I should like to read from the *Christian Science Monitor*, the issue of March 16, which contains the opinion of that paper, and I think it also expresses the opinion of a good many people in the United States, as to the success of the Exercise Sweetbriar. The article is headed: "Whitehorse tagged for U.S. defence role". I may say that Whitehorse has been mentioned by the United States as the Gibraltar of the north. The article reads:

Divided Opinions

High Canadian and American military officials who attended as observers were inclined to be noncommittal when questioned openly about the success of Sweetbriar. Off the record, some expressed shock at the state of northern defences, while others optimistically believed that all will be well and that any deficiencies would be remedied as a result of the operation.

That neither the United States nor Canada is ready for Arctic warfare was made clear during the ten days in which a force of some 5,000 soldiers manoeuvred and fought with a so-called "aggressor" which had overrun Alaska and then threatened the whole continent.

I do not think that our department of defence, or the United States department of defence, believed that Sweetbriar would be a hundred per cent successful. By that I mean they did not believe that the equipment they had would be entirely suitable to the climate, nor did they believe that our soldiers were sufficiently trained in Arctic warfare. The success of Sweetbriar would probably be measured in the lessons that were learned, and also in a determination of the weaknesses of our northern defences. I am satisfied that our department learned many lessons, with regard to both the training of the men and the use of equipment in this barren and cold country.

I am sure we must all realize the great difficulties experienced in training men for warfare in a northern climate where there are deep snows, and where the temperature falls to sixty and sometimes seventy degrees below zero. I realize that it must be difficult for the equipment to stand up; I realize that it must be very difficult indeed for men to use the equipment. This test will be a great success if the defence department has learned the lessons of the difficulties in the north country and has tried to correct the difficulties and to prepare for the future.

I might suggest in this connection that one of the great problems that faces the Canadian army is training for these operations. Yesterday the leader of the opposition said that in connection with the training of our air force we have every facility in this broad country of ours for training airmen. We also have the facilities and territory for the training of our tank and other corps. For winter training also Canada is as well suited as any other country, especially Russia. I would impress upon the minister the necessity of more winter training; instead of having so much training of our men in the summer camps, our active forces and our militia should confine their training to a great extent to the wintertime. I do not imagine this would be a very

popular suggestion with the men in the armed forces, but looking toward the necessity of this type of training it seems to me we could and should devote more of our time to such training.

I should like to pay a tribute to our national research council. A few moments ago I said that our department must have found many weaknesses in the equipment used in the northern country. I have had the pleasure and the honour of being a member of the committee on national research. On several occasions I have had the opportunity of visiting the national research building, and I have seen for myself the work which is going on there. Without divulging any secrets—it is amusing to go through the national research council and be told that there are certain things which are very secret and that you must not tell anything about them—I am satisfied that not a single member of parliament who goes into the national research council could come out and divulge any of the secrets that he sees there. He does know, however, that in a general way great work is being done by the scientists of Canada for the development of some of these matters I mentioned that are related to our defence.

Another matter of great interest to the Canadian people is the dispersal of our munitions plants. This subject has been discussed before in the house on numerous occasions. There is no question that in a great country like Canada, with the possibilities of bombing in wartime, our munitions plants should not be centred in thickly populated areas. They should be scattered across the country. In the last war Russia was prepared to retire to the Ural mountains; she had behind those mountains munitions plants to supply her troops. We in Canada would make a great mistake if we concentrated the making of munitions in large centres which might be subjected to bombing.

I had intended to speak about civilian defence, but the matter has been discussed at some length already. From the minister's statement I would judge that we are following to a greater or lesser degree the plan being carried out in the United States. I am informed that over there state and federal officials are working together. For instance the minister said yesterday that it would take practically all the money allocated to our defence estimates to provide radar protection in this country. In the United States I understand that under their civilian defence measures they have made provision to train 150,000 aircraft spotters, to augment the seeing eye, or radar. I should judge that something like that is planned for Canada. In the United States they also have training courses for the handling of radiation injuries, and they are issuing excellent booklets and other instructions in this connection. This of course is a great work, and if the same is being done in Canada I am sure satisfactory results will be obtained.

We have heard much about recruiting, and the debate has been interesting. However, as my leader pointed out yesterday, the mere fact of having a thousand names or five hundred names on a roll is not sufficient; it does not indicate to the house or the people in Canada the extent of the training. The number of men who are taken into camp would show what our training is, and would reflect the usefulness of our reserve and other units.

In the matter of recruiting I would say that we must have good feeling throughout the country before our efforts can be successful. The people must be sympathetic toward the armed services. They have not been getting all the information they would like, nor have we in the House of Commons. If recruiting is to be successful, the people must feel sympathetically toward the navy, the army and the air force.

There have been some developments recently which have not tended to increase the confidence of our people in our armed forces. One of these had to do with the marking of graves overseas. I was pleased to hear the minister say yesterday that this defect had been corrected, a result, I am sure, of the widespread criticism across the country that a great mistake had been made. That mistake is being corrected, I imagine at considerable expense.

There is also the matter of medals. This may not be strictly a defence matter, but it is connected with the army. There was and is today widespread resentment across Canada that the medals given to the soldiers who fought in the last war are not inscribed with the names and numbers of those soldiers, as was done after the first war. These may seem small matters, but they do arouse resentment and dissatisfaction.

A short time ago there was an announcement with respect to a change in the tunes and airs used in the navy. I am not well qualified to discuss this matter, but I do know that in many sections of Canada there is resentment over this change. The people who resent it most are those whose sons were the first to enlist in the last two wars, and who would be the first to enlist in the navy today should necessity arise. I refer particularly to the replacing of "Rule Britannia" by "O Canada". These conditions do not help in

recruiting, and the government and the department before making such hasty changes should give careful consideration to them.

Perhaps we did not need to pay much attention to it, but I did listen to the hon. member for Ontario last night defend the defence department and criticize all those who had criticized that department. I could not help remembering that that great defender of the faith, the hon. member for Ontario, was the man who suggested that the description "Royal" should be taken away from the Royal Canadian Navy and the Royal Canadian Air Force. However, as I said before, no one is taking seriously what he said. The government, I hope, does not take it seriously, and I am sure the same feeling prevails throughout the country. Such a change would give rise to so much resentment that it would have grave repercussions.

In closing I should like to make reference to two units in my own province. My own town of Sussex is the headquarters of the Princess Louise Hussars. We are very proud of this unit, of which the hon. member for Westmorland is second in command. I have been informed by the defence department that it is one of the best, if not the best trained militia unit in Canada. We also take pride in our Canadian Scottish regiment. It, too, is well trained. There is a feeling in the maritime provinces that we should have down there a permanent force unit, and I would ask the minister if he is giving consideration to the appointment of the Princess Louise Hussars as a permanent force unit, and if not whether he will do so.

Mr. Claxton: Mr. Chairman, the hon. member for Royal has mentioned one or two points about which I should like to make some comment. He asked first whether we are training Eskimos and Indians in the far north. We are not endeavouring to give them military training, because in the nature of their living conditions they are fully occupied with survival. However, they are working very closely indeed with the armed forces in the north, and have been used extensively in transportation, construction, and the like. We have also borrowed to a great extent from their knowledge of northern living conditions, the first thing that forces operating in the north must learn.

The hon. member suggested that we should emphasize winter training. I can assure him that that is being done more and more. At Wainwright, Shilo, Rivers, Churchill, Valcartier and other places, both active and reserve force units are receiving winter training. To as large an extent as possible that is being supplemented by local training in week-end exercises carried out by units right

across Canada. More of that is being done than ever before, and certainly the experience of Exercise Sweetbriar was that only personnel who were highly trained in winter warfare can hope to operate efficiently in extremely cold weather.

I appreciate what the hon. gentleman said about the Princess Louise Hussars, which he said was one of the best units in Canada. I do not think it is desirable to contemplate making a reserve unit, which is carrying on so well, into a permanent force unit. I am sure the hon. member who is second in command would have something to say about that.

With regard to the remarks of the leader of the opposition last night, there are one or two corrections I should like to make. With regard to artillery practice, the hon. gentleman said that there was no firing practice, and he made reference to competitive firing. There are unit exercises; the units do go to camp as batteries, and there is competitive firing. The hon. gentleman is quite right in the impression he gathered that the Royal Canadian Artillery Association has not yet put up a cup for competitive battery firing. Reading the remarks of the hon. gentleman together, he is quite right, but there are unit exercises and competitive firing being carried on. We are putting emphasis less and less on battery competition and more and more on the work of the teams; but still competition is desirable, and I understand that battery competitions will be reinstituted this year.

The hon. gentleman referred to the remarks of the Secretary of State for External Affairs, and on page 3396 of *Hansard* he is shown as having quoted the remarks of the Secretary of State for External Affairs. But those remarks should be supplemented by what the Secretary of State for External Affairs went on to say:

> We do not yet know how it will affect the detailed responsibilities of any particular member of the alliance.

You will see that the Secretary of State for External Affairs is referring not only to the position of Canada but to the position of the other eleven countries in the alliance. It is still too early to say how this principle of balanced forces will work. The minister went on to say:

> As far as this government is concerned, in our defence policy we have already accepted this principle and have been trying to relate our policy to the defence of an area rather than merely to the defence of a country. We have been going on that principle and we will gladly do what we can to continue its application.

That was a point I made yesterday, and of course that is perfectly clear.

As reported on page 3396 of *Hansard* the leader of the opposition regretted, and I quote:

—we are not to be informed of any changes that are to be made in the organization of our defence forces in keeping with this allocation of special tasks.

I cannot inform him of any changes, because no changes have yet been made, either here or in other countries. The principle has just been agreed to. What I say would equally be said by any of the defence ministers of any other country.

I quote further the remarks of the leader of the opposition as reported on page 3399:

I do earnestly hope that the minister will indicate there is some intention of examining our present structure so that there can be a reallocation of forces in keeping with the statement of the minister of external affairs only three days ago.

Our program and the progress we are making in connection with it is under constant review. That has been indicated before. Changes are made in the program as they may be considered necessary. Now that this principle has been agreed to, we shall of course co-operate loyally and frankly and completely with the other north Atlantic countries in causing the allocation of our forces, their nature and composition and equipment, to be examined, and we will accept for consideration the views of the other countries. There is no doubt about that. When I said yesterday that this principle would not cause any immediate change, by "immediate" I had in mind a change within the period covered by these estimates, namely, 1950-51. In the future it may result in change, or in many changes. It certainly will result in some, both in this country and in others. But in view of the nature of our role and of the forces we have, those changes are not likely to be of a drastic nature materially affecting anything that has been done in the past in the way of defence.

As I say, we have never considered our defence as a thing that is separate, as something to be undertaken by us separately; we have always considered it as part of total defence in a total war.

Just a further word in this connection. It must be evident to hon. members that the reason why we went into the North Atlantic treaty—indeed, we are one of the nations which first suggested it and strongly supported it—is that we felt it to be in our vital interest and in the vital interest of the freedom of all nations that this treaty should be formulated and supported. We mean to carry out to the full everything that is involved in our participation in that treaty, and from what we have seen we have every reason to believe that that is the view of the other eleven nations who are participating in it. We went into the treaty because of our national interest, and we will support the treaty because we have entered into it and because it is in our national interest to do so.

It was emphasized by the hon. member for Cape Breton South that this is a treaty for the defence of peace. Of course it is. That aim is out in the forefront of the desirable objectives to be attained by this means. I indicated before that the North Atlantic treaty organization has as its objectives to deter aggression, and if necessary to defend ourselves against aggression and to defeat the aggressor. It has been said repeatedly by other leaders in the North Atlantic treaty countries that they believe that this is possible. Did we not believe it to be possible, the future would indeed look dark. But it is our conviction that by working together along the lines that have been indicated we can achieve these results.

With regard to some of the specific questions asked by the leader of the opposition, there is certain information that is not available yet but I shall deal with some of the questions now.

The hon. gentleman said that he would like to have information as to the number of units in the active and reserve forces of the army, navy and air force, divided into the differennt types of units. As he must appreciate, there must be several hundred units in the active forces and well on to a thousand units in the reserve, with divisions into different types of units.

Then he asked for details of the equipment which they should have and what they actually have. There are two schedules of equipment, one for training equipment and the other for mobilization equipment. With regard to training equipment, I can tell him that all the reserve units have all the equipment they need. There are large reserves and pools of equipment for reserve unit training at the different commands across the country. If any unit can use additional equipment, it only needs to ask the local G.O.C. and the equipment will be made available. There is no shortage of reserve army equipment.

With regard to war equipment or mobilization stores, information as to this is contained in army form G1098. There is an equipment table for each type of unit in the armed forces. There are 400 different volumes like these, each one of them about the size of a small Eaton's catalogue, and of course they are secret. I do not know anything that the enemy would like to obtain more than the strength of trained personnel in each type of unit, so as to show our whole battle order, its effectiveness, and the establishment figures

for mobilization. There is a further reason why this is regarded as confidential, namely, that it would disclose information not only about our own establishment but also about the establishments of countries with which we are allied.

On the question of security I should add that often we would very much like to give information but we cannot do so because it is shared with other countries. There is also the fact that one of the things a prospective aggressor would like to find out is how accurate his own sources of information are, in order that he can check his own espionage and information services. Even though intrinsically the information may not be of great importance to a prospective aggressor, it is of great value in enabling him to verify the accuracy of his sources of information in respect of other matters.

I can give a figure as to equipment. Some time ago I asked for a statement showing the quantity of equipment it was estimated we would need during the first year of an emergency should it arise. For the army it totalled 171,381,981 different pieces of equipment. At that time we had in stores 119,336,386, which in numbers represents about two-thirds of the equipment needed for the first year of a war should it arise. I think that will give the hon. member substantially what he wants, in the way in which it can be made available.

The hon. member asked for the expenditure to be devoted to each branch of the services during the present year. As hon. members know, it is not the practice in this or in other countries to keep books by units. Equipment is not dealt with in dollar value per unit. It is dealt with on a physical issue basis. Army units are not accounting units in the sense of keeping books showing all costs in terms of dollars. Estimates in Canada, the United States and the United Kingdom are not built up on a unit basis. To provide the hon. member with the information he wants would require the complete reconstruction of our accounting practice, and a complete review of every individual item that was issued or went to any unit. So that the information is simply not available.

The hon. member asked for similar figures with regard to headquarters, and the amount that is being asked for the maintenance thereof. The same answer applies. I have, however, obtained information which may be interesting particularly in view of the question put by the hon. member for Calgary East. He asked what progress was being made in reducing the proportion of the numbers in headquarters staffs to other units in the armed forces. As at the 31st December, 1949, 9·1 per cent of the armed forces were in headquarters staff, and at other units 90·9 per cent. As at the 31st March, 1950, 8·7 per cent were at headquarters of all kinds and 91·3 per cent were with units, representing a trend in a desirable direction. In view of the nature of modern defence forces and the necessity for maintaining administrative and planning staffs to deal with very much larger forces should the need arise, I think the figures I have mentioned are not out of line. We will continue, however, to endeavour to put more and more personnel into operational units. Of course that is a very desirable objective.

In this connection I might mention two facts with regard to the navy, which will be of interest. I was asked to what degree the navy could be made fully operational in a short time. I think I can say to an exceedingly good degree at the present time, and that all ships in commission can be fully operational within a matter of hours rather than days. At the present time 41·5 per cent of the personnel of the navy are on commissioned ships, representing a very large proportion, much larger than any other navies with which we are familiar, and at least as much as we would want them to be.

We have made a similar comparison as to the air force, and we find that on the basis of man hours of flying per month the Royal Canadian Air Force compares favourably with other comparable air forces. At this stage of its development that seems to us to be as good a test as any.

I should say something as to a matter about which there has been some comment in the press resulting from the statement of the Secretary of State for External Affairs. I refer to the future role of the infantry. At page 3189 of *Hansard* for June 5 the Secretary of State for External Affairs had this to say:

> This principle may come to mean . . .

Then I will omit certain words.

> . . . and eventually, possibly, to the abandonment of the old concept of defence by great masses of conscripted infantry, the bulk of which would be reservists called up on the outbreak of war.

I have not had an opportunity to discuss this point with my colleague, because he has been away since I saw the statement. I have no doubt, however, from the language used, and from our common knowledge of the situation, that he has in mind possible developments, particularly on the continent of Europe, which might bring about that result. With the increased application of scientific techniques and increased mechanization, there would not be the same value in great masses of conscripted infantry, but I

should like to make it very plain that we in Canada do not envisage any considerable change in the role of infantry in the foreseeable future. I think it would be a great mistake for any such misconception to go out, because it might adversely affect people interested in the infantry, and recruiting for infantry reserve units. At the end of the second world war I believe experience showed that the infantry were just as important as they had ever been in the history of modern warfare, and probably more so. I believe that the trend of modern development in the immediate future will increase the importance of infantry, because there are developments coming in weapons and projectiles which will increase the defensive power of infantry against armour. So that while the concept of great masses of infantry may cease to be so prevalent, that does not reduce in any way whatever the great importance of the infantry soldier with his modern weapons—sixteen of them—in modern warfare. If he is fully trained and equipped with those weapons, then he may become the determining factor in the final stage of any such warfare.

Do not let what I have just said, however, in an endeavour to correct what may be a misapprehension, lead anyone to think I underestimate the importance of the other arms of the service or of the other services. They all have their roles, and they must all work together as a team. I must agree completely with the remarks of the leader of the opposition and others with regard to the role of the air force. Those remarks are completely in accord with the policy we have had. Certainly from the point of view of immediate activity in the event of an emergency, in a war as far away as we hope the centre of activities would be, the air force will play a big role. On that account we are putting the emphasis we are on the air force, as regards both organizing squadrons and equipment. At the same time it is much too early to say that that role can be played to the complete exclusion of anything else. As I say, defence is a team operation, and while we mean to support the idea of balanced collective forces between nations, the time when that is likely to produce major changes in the allocation of forces within Canada is not yet upon us. The matter is just receiving consideration at the international level, and while there will be changes in the foreseeable future which I shall be glad to discuss when they arise, they will be changes in the development of forces and the standardization of equipment, which will provide the partnership of the north Atlantic nations with the power which is essential to the preservation of peace, or, if peace cannot be secured, the restoration of peace.

Mr. Drew: Mr. Chairman, I wish to deal immediately with one or two points that have been made by the Minister of National Defence because it seems to me they go to the root of the understanding of this problem with which we are dealing, the most important single departmental problem the government faces.

Referring to the discussion which took place last night about the competitive firing practice at artillery camps, the minister indicated that he has checked on the situation since then and has found that the view I expressed was substantially correct. But what disturbs me is that the answer he has now given is not correct. He states that there are exercises as units, and he says that there is competitive firing as units. Mr. Chairman, I say most emphatically that is not so.

The present plans call for no competitive firing by artillery units at Petawawa or the other artillery camp this year; nor do they have the opportunity for movement and training as units, which in itself is the basis of training for active service. I can only point this out, because unless we understand these things we do not understand what the state of training actually is, and what is being produced by the money that is being spent. As the minister has already indicated, the competitive firing that is done by the artillery is under competitions that are arranged by the Canadian Artillery Association. None of that firing practice will be carried out this summer, unless there is a change between now and then, which seems unlikely, in view of the fact that the units will be starting to move into camp almost any day, and will continue to progressively move into camp at different times during the summer.

The procedure that is followed is that the artillery units send men from their own units. Those men are brought into training groups, and receive excellent training in special subjects. They do participate in firing; they do see the theory of firing explained and carried out in actual firing practice, but they do not operate as firing units. Artillery that does not operate as a firing unit is a long distance from being even near the point of readiness to prepare for active service conditions. That is true also of the infantry. At the infantry camp the infantry do not train as field units under field conditions. There again the members of those units are given excellent training in the details of infantry work. As a result of that training

they will be able to go back and pass on that training to others with whom they will be associated in the training at the local armouries and elsewhere. There again, excellent though the training may be, the units are not getting that type of field training as units, with the use of their own fire power, in competitive contests. Such training is the basic qualification for obtaining real results.

As I believe the minister must know, the Canadian Artillery Association has indicated it intends to discuss this subject at its meeting in the last week of October, but that is for next year, not this year. So it is with the infantry. They are discussing this subject. Everyone recognizes the difficulties, but, in the name of common sense and in the name of preparation for real defence, let us not accept any explanation that is not in keeping with reality. If the minister was informed in accordance with the statement he made to the house this morning, I suggest that he ascertain exactly what training the artillery units will be receiving at Petawawa, Shilo and other artillery camps across the country, as well as what training the infantry will receive in the field, as units, under unit competitive circumstances.

Referring to the assumption of our obligations, the minister said that we mean to carry out to the full everything that is involved in that treaty. I believe those are his exact words, or so close to them I feel he will accept them as a correct statement of the effect of the words he used. If the minister means just what he says, that we mean to carry out everything that is involved, then of course he means that it is agreed this government will carry out what was described by the minister of external affairs as the new principle recognized by this recent London meeting. That principle is that if one nation can perform a particular task, then those nations which cannot do it so well will leave that task to be done by that particular nation. The minister of external affairs qualified that, in what was much the most important part of his statement, by saying that this principle carried with it the necessity of knowing that the nation which had that special type of equipment would use it. That of course must be obvious; because if one nation is to let another nation concentrate on fast land armoured forces and does not provide them themselves, they will then place themselves in a position of pitiful weakness and utter helplessness, unless their failure to supply those forces was compensated by the existence of forces immediately available and in a state of war readiness the moment the call came—not war readiness three months from now, or six months from now, but war readiness today.

One fact that should be in the mind of every member of this committee is that when we are discussing the figures before us now we are not in a position of war readiness with regard to any part of those forces in any number that could be recognized as substantial fulfilment of the agreement that was entered into in London. We are not within six months, at a minimum, of being able to carry out our part. That fact applies not only to the fulfilment of our part in any joint enterprise overseas, but also to the fulfilment of our part within our own country to meet the type of force that we would be called upon to meet if that force were brought to our shores by air or by sea; but presumably the threat would be by air.

In discussing these matters let us not regard the statement of what the realities are as a challenge either to the quality of the forces we possess or the earnestness of the effort that they are making. We have in our forces men and women doing their utmost to bring those forces to the highest level of training efficiency possible. One of the tragic stories of the democracies in a considerable part of this century is the lulling of the people by the assurances that they are ready when that term "readiness" is taken to mean readiness by our standards, not by the standards of readiness of the enemy we are called upon to face. Do not let anyone today forget the reassuring statements that were made before this last war; and do not let anyone forget the knowledge of everyone who participated as to the time it actually took to bring our training to the state that we were assured it possessed in the months and years before this last war.

As the Secretary of State for External Affairs has pointed out, this situation calls for immediate action. We cannot hope to have time to build up behind the ramparts of the sacrifice of other people. We must be prepared to take our part the moment these forces are needed. It will be the knowledge that we can do that and that other nations can do it that will be the one assurance we can ever have of peace.

As to the question of the changes envisaged by the statement of the Secretary of State for External Affairs, there was a statement carried by Canadian Press and extensively published throughout Canada, on June 6, the day after the Secretary of State for External Affairs made his statement. I think that the first four paragraphs of that reported statement are of value—and I am quoting in this case from the Montreal *Gazette*—because they indicate statements that were made here to the Canadian Press. When the Canadian Press says that officers of the Department of National Defence made those statements, I

accept their word for it—and I feel sure that the minister will accept their word for it—that such statements were made. I quote from this report as follows:

> Atlantic pact arms developments in the next few years hold a strong possibility of working big changes in Canada's forces and in plans to send overseas a third expeditionary force mainly composed of infantry in any new war, informed quarters said today.
>
> Within five years, they said, the use of massed infantry could easily be obsolete. Such military efforts as the tight, tough land battles in Italy and the D-day landings in Normandy would be ruled out by the violence of mass destruction weapons.
>
> This trend is of obvious and vital importance in view of Russia's stress on land forces, her almost unlimited ability to reinforce them and her relative immaturity in the scientific and technical fields.

Then may I emphasize these words which I am now quoting, still from that Canadian Press report:

> Defence officials here said scientific advances now are moving towards push-button warfare at a pace which has defence headquarters constantly examining plans and revamping them.

That is a statement by the Canadian Press, based, according to that report, upon the statements of officials of the Department of National Defence. When I spoke last night of the concern that must be felt that we have no statement as to what the new plans are in relation to the situation envisaged by the Secretary of State for External Affairs in his statement last Monday, I referred to this very word "revamping". What I had hoped to hear, and what I think many other hon. members had hoped to hear, was a report on what revamping will be done and what rationalization will be done in accordance with the statement made by the Secretary of State for External Affairs, to the effect that each nation is going to perform, as part of this great team of free nations, the military task which it can best perform. His statement, if it was not specific in that regard, implied that the masses of infantry would be found amongst the teeming millions on the European continent which are being armed by the United States so largely today; and that we at a greater distance would find and train the harder hitting, more compact, mobile fighting forces in the air and on the land which could be quickly transported to any threatened area. In the light of that statement of the Secretary of State for External Affairs, in the light of the situation disclosed, and in fact in the light of the difficulty that the minister has in dealing with individual problems, even with officials of the department in front of him—as indicated by the explanation given in regard to artillery training—I think we should have the details before us.

The Minister of National Defence says that his books contain the records of a thousand infantry units. Certainly they do. But that fact presents no difficulty. There is no difficulty in putting down in a statement that there are so many infantry units, divided into active and reserve, and that there are so many artillery units. That just takes one line. Then there is no difficulty in putting down whether there are one hundred or two hundred, or whatever the number may be, active and reserve; and under each of these, the personnel of establishment and the personnel actually training; then under other headings, the units of the air force, active and reserve; machines in their possession; machines called for by establishment. The same with the navy; the number of ships, the number of units active, the number of units reserve, and the equipment they have—that would not take any volumes of books as was suggested by the minister. It is the kind of information that is available with regard to other departments of infinitely less importance than this one.

Even with what he said today, I still hope that the minister will agree to prepare a statement showing in simple and graphic form, first of all, the division of our defence areas into five commands, the inclusion under those commands of the armoured units, the ordinary infantry divisions, and the component units of those divisions, and the allocation of men to those units, so that we may have in front of us, in simple, graphic and understandable form, exactly what it is we are dealing with. Then, to take the case of the active units, of what use is it to us to be told that there are 40,000 men, or whatever the number may be? What we need to know is how many of these are in headquarters, how many at command headquarters, how many in permanent tasks that are not part of the active force, how many in the active force ready to go into service if they are called upon to do that. The relationship between the number at headquarters here, at command headquarters, at the various points throughout the country where there are detachments of this kind in relation to the number actively training, will give us the kind of picture we need.

In dealing with these remarks at this point, and in dealing with what the minister said about the state of training of the artillery, I simply have risen, first, to point out to him again the information that I have received from what I am satisfied is an entirely reliable source in regard to this; and second, to urge him once again to give us information which involves no measure of secrecy, but will

make clear to us the structure that we want to understand when we are putting up this money.

Mr. Claxton: Mr. Chairman, I should like to make plain the position as to artillery training. It is as stated by the leader of the opposition, and I do not think that what I said at the outset was any different, except that he, having been the former president of the Canadian Artillery Association, attaches very great importance to battery competitive practice. No doubt his own battery and regiment won the competition. I think that is so. However, emphasis is not placed by my advisers on that type of training at the present time. The note on this which I got since I came into the house is I believe substantially correct, and is in accordance with what both the leader of the opposition and myself said. Reserve force artillery units go to camp as units. Training is conducted there either on a course basis or on a unit battery basis. Battery training is now on the increase, and it is expected that several units will be trained that way this summer. Royal Canadian Artillery Association has not yet reinstated the pre-war competitions, but is considering a similar program to be instituted shortly. Initially competitive shoots are likely to be on a troop basis.

The oral information I had when I came into the house was that it had been decided to institute competitive shoots this summer. Apparently it is still being considered. It is a matter outside the control of the department; it is within the control of the association. I think what the leader of the opposition said and what I said are substantially in accord and in accordance with the facts.

With regard to the assurance of readiness, we have been very careful, and I think accurate, in giving any assurances. Admitting that everything the leader of the opposition said is true, and a great deal of it is, then that is every reason for our pressing on with training and equipment with a view to making the active force as militarily operational as it is possible for it to be, and for the reserve forces to approach just as rapidly as possible the standards we want to have for the active force.

Mr. Green: There are one or two thoughts I should like to place before the minister and the committee this morning. But before doing so may I say that I realize the difficulties of the minister's position and of his department. Probably no one in the house would have thought it possible two or three years ago that within less than five years of the end of the fighting Canada would be faced with the necessity of appropriating at least half a billion dollars in any one year for defence purposes. That necessity of course arises because of the unfortunate trend world affairs have taken, a trend which has resulted in the world being divided into two blocs, the peoples of each bloc worrying about war and discussing appropriations for defence in their respective legislative chambers. It is a very sad situation, but of course it is a situation that Canadians must face.

I do not think it will be questioned that if there should be another war it will be fought on a world-wide basis, though primarily in the northern hemisphere; and that the two chief participants will be the United States and Russia. These are facts which are perfectly obvious to everyone.

I believe that because of the North Atlantic treaty, and the steps that are being taken under that treaty, Canadians do not have to worry as much as they formerly did about warfare in the north Atlantic area. I am hopeful that that is the situation. While it may take some time, there is little doubt that eventually the nations which have signed that treaty and set up the North Atlantic council will be able to build up exceedingly strong defence forces which it would be very risky for Russia to attack.

However, as a member representing a constituency on the west coast I am very much disturbed by the attitude of the Minister of National Defence with regard to the Pacific. Just a few minutes ago he referred to Canada as a country as far away from the centre of activity as we hope we will be in the event of another war. I hope he is right, but I think that statement was absolutely unrealistic in view of the situation around the shores of the Pacific ocean.

In dealing with the defence for Canada on the Pacific coast yesterday, the minister used these words, as found at page 3380 of *Hansard:*

> It is obvious that we are in the fortunate position of being well to the east of lines of defence which include Japan and the islands to the south and the Hawaiian islands, and Alaska in the north. We are not in the same exposed position in the Pacific as we are in the Atlantic.

Once again I fervently hope that he is right, but I believe that statements of that kind by the Minister of National Defence of Canada are very unfortunate because they will have the effect of lulling the Canadian people into a false sense of security with regard to the position on the Pacific. Statements of this kind are unfair to the Canadian people. I know the minister did not intend to be unfair. I think his intentions were perfectly good, but, in the final analysis, statements of that kind are unfair unless there is absolutely no doubt about their accuracy. Personally I believe that never in her whole history has Canada been in as

dangerous a position as she is today in the event of war. We are vulnerable on the Atlantic; we are vulnerable across the Arctic, and we are vulnerable on the Pacific.

As I said a moment ago, the two nations most directly involved in a third world war would be Russia and the United States. It is only reasonable to expect that one of these nations, sooner or later, in order to win will have to get at the other one. Russia's main objective in any such war would be to get at the United States. She could not possibly win a third world war without attacking the United States; and whether she attacks across the north Atlantic, across the Arctic or across the north Pacific, she must cross Canadian territory. That means, just as surely as night follows day, that in the event of a third world war Canada will be in the position of Belgium in the first one.

It is the duty of the members of the House of Commons to make it perfectly clear to the Canadian people that this is so, in order that there can be no misunderstanding of what Canada's position will be. The minister has said that we are safe behind the United States line in Alaska. Well, on April 1, General Dwight Eisenhower, the famous American leader, had this to say with regard to Alaska:

> Strengthening Alaska and its major airfields against surprise airborne attack, by a permanent force of well-trained and equipped ground troops and a radar screen to detect and warn against air forays.

He stated that as one of the three main defence programs that should be undertaken by the United States. Two weeks later, General Omar N. Bradley, chairman of the United States joint chiefs of staff said he believed that Alaska is the weakest link in the United States military defence. The article goes on to say:

> He added Alaska air bases must not fall into enemy hands since they could be used as long range bomber bases for attacks against the U.S.

Earlier, on February 22, we find this heading from San Francisco: "U.S. sets up air defences on west coast". The article goes on to say:

> Establishment of a civil air raid warning system for U.S. western states was announced Tuesday.
>
> The system is expected to be in operation within weeks. It will extend east to the rockies.
>
> Special telephone communications will be set up within the entire western area. Civilian centres will be warned in less than a minute should the defence centre receive word that air attack is imminent.
>
> Modern weapons and long-range aircraft were cited as a reason for the warning system.

And then a dispatch from Los Gatos, California, dated April 7, states:

> Atomic-powered submarines may lead attacks which would turn U.S. coastal cities into world war three Pearl harbors, Vice-Admiral Charles A. Lockwood predicted here Thursday.
>
> Admiral Lockwood, retired wartime commander of the Pacific submarine fleet, warned that Russia "probably" has entered into a race with the U.S. to build the first "A-sub."
>
> Admiral Lockwood predicted atomic-powered submarines would be "miracle warships" with an almost "unlimited" surface cruising range and capable of carrying atomic guided-missiles to U.S. shores completely undetected.
>
> He pointed out that even the conventionally-powered Russian subs "can make a round-trip to the west coast, deliver guided missiles and return without refuelling."

This means of course that Russian submarines could stand off the Canadian coast and use guided missiles against our west coast Canadian cities, just as easily as they could against the American cities. These are some of the very serious possibilities we must face.

I have a statement from our own naval chief of staff, Vice Admiral Harold T. W. Grant. It was made in Victoria on April 28 of this year, and is reported in this way:

> He reviewed the west coast defence picture and said it is becoming more important in view of the cold war and conditions in China. However, there were no plans to augment the Esquimalt-based fleet with ships from the east coast.

Then of course we had Exercise Sweetbriar, in the Yukon Territory and Alaska, which was based on the hypothesis that the Russians had taken Alaska. The exercise was to work out methods of stopping them in the vicinity of Whitehorse.

Yet I am afraid the situation is that Canadians, from the Minister of National Defence down, are still European-minded—or perhaps I should say Atlantic-minded. There is good reason why that should be our outlook as a people. We stem from European stock, and the first world war was essentially a European war. The last one was primarily European. Our thinking in regard to war naturally turns to the Atlantic and to Europe.

I remember so clearly the difficulty we had in the early months of 1942 in convincing the government that there was real danger on the Pacific coast. That was several months after the Japanese had struck at Pearl Harbor. On the coast we had practically no defences. It turned out later that we did not have as many aircraft on that coast as would have been carried by one Japanese aircraft carrier, and many of the aircraft we did have were very much out of date.

The Vancouver *Sun* took an active part in demanding that some steps be taken to defend the Pacific coast. Indeed, they took such an active part that they were dragged into police court by the defence department and fined because of some of the articles they had published. Members of the House of

Commons from British Columbia also took a determined stand and went after the then minister of national defence pretty hard. At that time it was Hon. J. L. Ralston, who, incidentally, was one of Canada's greatest sons.

Those of us from British Columbia were much concerned about the situation. Our families and our people were out there, exposed to attack. The Americans had suffered at Pearl Harbor, and we knew there was no way of stopping the Japanese if they chose to invade the west coast. A day or two after I had attacked the defence department with considerable bitterness, the late Colonel Ralston called me out of the chamber, took me into room 16, and, in his friendly way, said, "Green, you are very much worried about the west coast. I can see that now. What is the trouble?" I tried to tell him, giving him my point of view. He said: "Well, you may be right; and if I could get one of my staff to agree with you I could do something about it. I'll tell you what we will do; we will go down and have a talk with the chief of staff. You can put up your side and he can put up his. I shall just sit and listen; and we shall see what happens." Next day Colonel Ralston took me down to defence headquarters, where the late Lieutenant General Kenneth Stuart and I had a debate on the need for defending the Pacific coast. By the way, General Stuart was another great Canadian whose services to his country have never been fully appreciated. He gave his life for his country, just as did Colonel Ralston.

I think it would be most fitting that there should be placed in the halls of this building a statue of Colonel Ralston. He was a great battalion commander in the first war, commanding the 85th Nova Scotia Highlanders. His men loved him, and would follow him anywhere. During the second great war he served in a much less spectacular way by working here fifteen, eighteen and twenty hours a day doing a wonderful job. There is no doubt in my mind that his work during the second world war brought about his untimely death. I know of no Canadian more worthy of having a statue in his memory placed in the halls of this building than the late J. L. Ralston.

It was not long before the Japs took Kiska and to the south had a fleet on the way to invade either the Hawaiian islands or the west coast. Fortunately that fleet was defeated in the battle of Midway by the United States fleet air forces. Had it not been for that defeat, the west coast of Canada and the United States might well have been invaded. After taking Kiska the Japanese started out to take Dutch Harbor, the next great United States base in Alaska. Fortunately they were turned back because the United States flyers flew out behind them and came in from the west, deceiving them into thinking there was a United States force behind them, and the Japanese turned back.

Canada then was inclined to be European-minded, and I am afraid that is still the situation. It would not be so bad if we were not so vulnerable on the north Pacific. Russia is a much tougher opponent in the Pacific than Japan ever could be, because Russia has Siberia. For years she has had a Siberian army able to carry on as an independent fighting force. That was the position in the recent war. The Russian Siberian forces were able to carry on, even though the European forces had been defeated.

Siberia reaches to within a few miles of Alaska. Russian airmen by the hundreds flew the route to Edmonton in order to take United States planes back to Siberia during the war. The Russians are accustomed to warfare in northern climates. There has been some discussion in this debate about the need of Canadians having training in Arctic fighting, and I think the defence department is realistic about that need. However, the Russians have been carrying on that type of training for years and are accustomed to fighting in cold weather. Added to Russia we now have China, with over 400 million people, the biggest reserve of manpower in the world today, and under the domination of Russia.

That is the situation we find in the Pacific area. Just the other day there was a dispatch in the Vancouver *Sun* dated May 31, just nine days ago. It is entitled, "Expansion in Asia Russia's main goal" and is from Warsaw by Daniel De Luce, Associated Press correspondent. The articles reads:

> Some Poles within earshot of Moscow assert that this is the Russian planning for the next decade:
>
> 1. Defensive consolidation in eastern Europe.
> 2. Dynamic expansion of influence in Asia.

And again:

> They say the Russians have more to fear than the western powers from a shooting scrape in Europe. It is Asia that's a soft touch, not the Rhine—with others to do the fighting, not the Soviet army.
>
> They make this comparison of power:
>
> American guns face Soviet frontiers in Germany and Austria. But where are they on the Asia mainland?
>
> A hard-boiled communist is his own boss in Yugoslavia. Where is another like him in the Far East?
>
> Marshall plan dollars continue to pour into western Europe, stronger industrially than ever in history. Where is the effective help for a weak Saigon or Bangkok or Rangoon?

The following is the substance of what I heard in Poland on a visa granted by the foreign ministry to encourage interest in a trade fair:

"You westerners don't see further than the end of your nose. You seem oblivious to the inner stresses and strains in our eastern bloc. You underestimate your strength in Europe. You are purblind to your weaknesses in Asia. Russia is winning there without having to fire a shot."

I have some suggestions to make to the minister with regard to the north Pacific. We should have there an air force ready to fight, with airfields adequately defended. There should be a coastal patrol able to deal with submarines. So far as I know there has never been any emphasis placed on Canada developing an air coastal patrol of that kind. It is essential for the defence of the cities, in fact for the defence of the whole west coast of Canada.

With regard to the army, I suggest that the permanent armoured brigade should be kept up to fighting strength and ready to strike at a moment's notice. That was the promise made to us in 1945 by the then minister of national defence; and I quote from page 1131 of *Hansard* of October 16, 1945, where the present Minister of Finance (Mr. Abbott) is reported as having said:

This formation will be maintained as a trained field force, fully equipped, ready to meet whatever commitments may arise.

Such a force is essential for the defence of Canada's territory in the northern Pacific area.

I suggest also that there should be at least a division of the reserve army trained to the point where it could take the field in a short space of time. We older soldiers can think only in terms of divisions. It may be that we are out of date and that a division is not the proper unit under present conditions. In any event I believe there should be a substantial group in the reserve army told that they would be the first part of that reserve army to get into the fighting, and they should be trained and equipped accordingly.

This would be much on the basis of the selection of the first division in the recent war. In British Columbia there was only one regiment taken into the first division, the Seaforth Highlanders of Canada, a regiment of which we are justly very proud. There were other excellent regiments in British Columbia, but the Seaforths were picked, I believe, well in advance of the fighting, as the regiment from British Columbia to go with the first division.

In depending on the reserve army as a whole—we were told in 1946 it would be six divisions—to back up the permanent brigade, we are not being realistic. We should have some designated force prepared to take the field within a very short period of time if trouble comes. Incidentally it would be interesting to know how long the minister thinks it would take for Canada to field a division or similar body of men under present conditions.

With regard to the navy, I submit that there must be an adequate number of ships on the Pacific coast to deal with submarines, and that steps should be taken to protect our harbours. Now is the time to make the arrangements necessary for the protection of the harbours on the Pacific coast. I forgot one suggestion about the army which I had intended to make. There should be an expansion of the Canadian militia rangers. I do not think the minister has mentioned them so far in the debate. As hon. members know, there was set up during the last war on the west coast a body known as the Pacific coast militia rangers. They were not very popular with the army staffs, because they were woodsmen and men accustomed to the sea, first-class outdoor men, but they were not of the disciplined type. It took quite a while for the army staff to get the idea that this force might be of some help if the Japanese invaded the west coast. The morale of the force was excellent. I have never seen anything finer since the days of the Canadian corps in the first war. They were in all the hamlets up and down the west coast and right into the interior. They were very proud of the part they were playing, and if there had been an invasion they would have been of inestimable value to Canada.

Eventually arrangements were made to carry on an establishment of that type in peacetime. I do not know what the strength is at the present time, but I think the Department of National Defence might well consider expanding that force and setting up units not only in British Columbia but also in the Yukon and the Northwest Territories. They would be excellent leaders in any guerrilla type of warfare.

I believe also that steps should be taken on the west coast without delay to set up a civil defence system. I read to the committee an extract indicating that the United States have been doing that since early this year, and I believe a beginning should be made as quickly as possible on the west coast of Canada.

Looking a little further afield in the Pacific area, I believe Canada has so much to gain, and nothing to lose, from a Pacific defence pact that no time should be lost in bringing it about. The people on the Pacific coast will suffer most if there is another world war. If there is trouble we are going to need help

badly from all our friends on the shores of the Pacific. I am afraid that Canada hangs back too much on this question of a Pacific defence pact. Yesterday I saw a dispatch from Canberra, Australia, in the Ottawa *Journal* indicating that Australia would join the United States in a Pacific pact. The article reads:

> Percy Spender, external affairs minister, said today Australia is ready to join the United States in a Pacific defence pact even if no other countries go along.

If there should be trouble, Canada will need the help of Australia, New Zealand, and other Pacific countries. Our two sister nations are not members of the North Atlantic council. They were not asked to sign the treaty, and there should be the same kind of arrangement for the Pacific.

Another sign which makes me wonder whether the Canadian government is being realistic about the Pacific is the delay in getting a statement about southeast Asia from the Minister of Fisheries who has just returned from Australia. I do not blame him. He made statements when he was in Sydney indicating what he was going to recommend to the Canadian government. It was stated that Canada would likely be making some contribution to help the countries of southeast Asia. On different occasions we have asked for a statement, but there has been delay. Yesterday the Minister of Fisheries said he would have to wait until the estimates of external affairs were under consideration. I hope the difficulty is not that he has met opposition in the cabinet, that there are some members of the cabinet who are taking the position that no help is needed, and that Canada need not become involved in that area.

From what the Minister of Fisheries has said I am convinced that he is in favour of Canada taking action. The same applies to the Secretary of State for External Affairs, because one need only read his speech made earlier in the session, reporting on his trip to the Pacific, to be reassured with regard to his attitude. I urge the Minister of National Defence as strongly as I possibly can that he support these two ministers in cabinet council in urging that Canada announce quickly what she is going to do to help those countries which are trying to stand off communism. I urge him that he see to it that there is an estimate put through the house before the end of the session. If that is not done I do not see how it will be possible to give a great deal of help. I am sure that members of the house would approve such an estimate, but I am worried about the delay. I am afraid that time is of vital importance in the Pacific; that the sands are running out against us in the Pacific area, and that in the event of trouble Canada will be the nation to suffer most.

As I said in opening, these suggestions are placed before the minister with a pretty clear realization of the difficulties he and the Department of National Defence are facing so soon after they have been through the second world war. Nevertheless that is the position. They, the members of the house and the Canadian people can only meet these sobering problems with courage. I am sure that will be the attitude of the Canadian people as a whole.

Mr. Claxton: I should like to say that I appreciate the remarks of the hon. member for Vancouver-Quadra. I know he wants to be fair, and I should like to assure him that I never said and did not wish to imply that I thought the Pacific coast was safe in the sense that he has ascribed that to me.

Mr. Green: I quoted exactly what the minister said yesterday.

Mr. Claxton: The hon. gentleman also said that I had said it was safe, and I did not say that. I was referring to the remarks of the hon. member for Kamloops, who had compared the forces on the Atlantic and Pacific coasts. I referred to the two situations very briefly, but I would not like the impression to go out that we do not have regard to the Pacific situation and its needs, which the hon. member has expressed so well.

As to the Canadian rangers, we have twenty-one companies organized. I have seen the locations of the various groups of of men, and I can assure the hon. member they cover every place in the north all the way up to the extreme Arctic as well as in British Columbia, Alberta, Saskatchewan, Manitoba and northwestern Ontario where there is more than a handful of people.

Mr. Green: How many did the minister say?

Mr. Claxton: Twenty-one companies.

Mr. Green: During the war there were far more than that in British Columbia alone.

Mr. Claxton: Now they are in larger groupings.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Fraser: Will the minister inform me how the Royal Canadian Air Force calculates the charges made to another department for the special use of a plane? What is the cost per mile for the use of a North Star non-pressurized plane?

Mr. Claxton: The amount charged includes the cost of the oil and gasoline, and what are called running spares. The cost of the oil and gasoline is the actual cost averaged, and the cost of running spares is the actual cost averaged. I would have to get the information as to the charge per mile. I believe it is calculated by the hours flown, and not per mile. I rather think we have that information here.

Mr. Fraser: I should like to have that information, because of an answer given in the external affairs committee referring to the charge to the external affairs department for a special plane. The R.C.A.F. absorbed half the cost because they felt it was a flight that might help them in the future, and charged the other half to external affairs. I wondered how they calculated the total cost as $16,000 for the Colombo flight, because that is less than a dollar a mile.

Mr. Claxton: I shall have to get that information for the hon. member.

Mr. McLure: I should like to ask the minister a further question with regard to one I asked him yesterday, to see if I can get more definite information. My question related to the bombing range off the north shore of Prince Edward Island. The reply I received appears at page 3390 of *Hansard*, and is as follows:

> As to bombing range, we are working with the Department of Fisheries and the people on the spot to try to secure an area which will be adequate for bombing and firing practice, and which will not destroy the best fishing territory off the maritime provinces.
>
> Mr. McLure: Will it be within the three-mile limit or without the fourteen-mile limit?

It is the latter question to which I should like to have an answer. I believe the fishermen in that locality deserve some assurance on this point. If the Department of Fisheries is not able to give the minister full information about the territory, I am his humble servant and shall be glad to give all the details. I hope to have some assurance from the Minister of National Defence to give the people.

Mr. Claxton: Since the hon. member raised this question yesterday I have been informed that the Department of Fisheries and the Department of National Defence have completed discussions. A bombing range area has been picked out as suitable for use should the need arise for it. It is not proposed to proceed further with it at this time. I can assure the hon. member that the fishermen, and the fish, are both safe in that area at the moment.

Mr. Higgins: Mr. Chairman, I have one or two questions concerning an item which appeared in the Montreal *Gazette* this morning, datelined Washington, concerning the United States bases and an expenditure of approximately $6 million. The part of the item to which I refer reads as follows:

> The navy was allotted $3,193,000 to construct permanent communications facilities, family quarters and utilities at Argentia, Newfoundland.
>
> The air force got $3,050,000 for fuel storage and refining facilities at Goose Bay airport, Labrador.

In that connection I refer the minister to the exchange of notes in 1944 between Canada and the United States. Paragraph 4 of the Canadian government note reads as follows:

> It was subsequently agreed between the two governments that, in addition, the Canadian government should assume the cost of permanent air installations elsewhere in Canada and at Goose Bay (Labrador) built by or on the account of the United States government, the cost of the telephone line from Edmonton to the Alaska boundary—

Well, that does not come into the picture. The agreement reached is contained in paragraph 6, which reads as follows:

> It is my understanding that the following has been agreed as a result of these discussions. The Canadian government will pay to the United States government the following amounts in United States dollars for construction carried out by the United States government:—

In that list we find the airfield at Goose Bay, Labrador, at a cost of $543,000. Then in paragraph 8:

> The costs incurred by the Canadian government on United States government account which the Canadian government will assume pursuant to the decisions reached are as follows:
>
> . . . Airfield at Goose Bay, Labrador, $9,950,000.

On that basis what will the situation be at Goose Bay?—because this would almost suggest something of a permanent installation that the United States government are building. Can the minister enlarge on that, or is it the proper place to ask it? Can he tell the committee something about it?

Mr. Claxton: The United States air force has asked permission from us, and we have given it, to provide for some permanent construction at Goose Bay on the Canadian base. I have no means of knowing, without inquiring from Washington, what is covered by the $6 million to which the hon. member refers. I can make inquiries, and no doubt our American friends, as a matter of courtesy, will give us the information.

Mr. Higgins: The paper says there is $3,050,000 for fuel storage and refining facilities at Goose Bay airport, Labrador. The other item is for Argentia, on the naval base. Would that be of any assistance?

Mr. Claxton: With regard to fuel storage and refining facilities, at Goose Bay the arrangement is now that we provide the fuel storage facilities for our own Canadian air

force and also for the use of naval aircraft that may use the base, on a repayment basis; and the United States air force provides its own fuel. This is to cover the cost of tanks, and, I suppose, of the ultimate refining of it, in effect filtering, certainly not a large-scale commercial refinery.

Mr. Higgins: This would look like an abrogation of the notes exchanged in 1944. These appear to be permanent installations at Goose Bay; I do not know.

Mr. Claxton: We are not making any arrangement with the United States with regard to their having permanent rights in Canadian territory. But we have indicated to them, in consideration of various concessions that they may make to us, that at Goose Bay they can put up permanent or semi-permanent constructions on parts of the base we will make available to them under a limited-term lease.

Mr. Higgins: I have just three questions more, and then I shall be through. What is the present condition of the negotiations with respect to the base? What is the position with respect to command in the event of war? Does the Canadian officer in command still take over? Do the United States still have the right to take any land in Newfoundland they may deem necessary in the event of war?

Mr. Claxton: The state of the negotiations is that in consequence of the matter having been dealt with between representatives of the governments and by the permanent joint board on defence, the basis for an understanding has been arrived at. But that has been reported for consideration by each government by its section in the permanent joint board, and that consideration is being given now. I believe it is likely to produce an agreement; but I am not in a position to say yet that an agreement has been made or what its terms are. The negotiations have been conducted in a most friendly and co-operative way, and we look forward to being able to make at an early date an announcement which I hope will be acceptable to everyone.

There is no understanding with regard to command in the area. The ordinary rule would be that in Canadian territory a Canadian officer would be in command. In the event of an emergency, however, or in anticipation of an emergency, we would certainly work with the United States to ensure that the best possible method of dealing with the situation was followed by both countries. For example, with regard to air operations which involved major forces of the United States and included territory outside Canada, it is possible that in the sector concerned we might agree to an American commander being in charge; but that would have to be in consequence of our agreement. It is interesting to note that, in connection with Exercise Sweetbriar, we agreed to there being an American officer in command, Lieutenant General Chamberlin. The American forces and the Canadian forces were roughly equal, but the operation was planned to conclude in Alaska, which was its object. That arrangement worked out very well indeed. Canadian and American officers worked together, at every level, so that sometimes you would have Canadians in command of Americans and vice versa. There was no difficulty at all. That was one of the valuable experiences of the exercise.

With regard to the American right to occupy or take any land outside the leased base area, that is one of the matters which is under negotiation.

Mr. Blackmore: If I might, Mr. Chairman, I should like to discuss with the minister for a while the question of military morale. In the course of the discussion I might depart considerably from orthodox methods of carrying on debate in the House of Commons, but under the circumstances I believe that what I shall endeavour to do will be justified.

I believe that all hon. members will agree that in order for a nation to fight effectively, it has to have faith: faith in itself, faith in its cause, and faith in its country's future. What I have to say pertains to the development of faith in our people. We are living in an age in which men, in many cases, are losing faith. A large number of the people with whom I speak find themselves bewildered and disheartened. If I might contribute to some extent to the rejuvenation of some of their courage I would consider it worth while, and I believe that you, Mr. Chairman, would also consider it worth while.

We hear a good deal of discussion about where the next war is going to be fought. We had a measure of attention given to that matter this morning. Many hon. members, justifiably I believe, are gloomily forecasting that in all probability Canada will be the cockpit of the next war; in other words, that Canada will be the Belgium of world war III.

It is difficult, Mr. Chairman, to say whether or not the war which we fear is about to come on us is going to be the last great war referred to in scripture.

They tell me that years ago the bible used to be quoted often in the House of Commons, although I have rarely heard it quoted since I came here fourteen and a half years ago. Maybe it is about time we quoted it again. Suppose we turn to the bible and see what

the bible says is going to be the location of the next great war, granted that that war is the winding-up war, or the final one, which it may be. May I direct the attention of hon. members to Ezekiel, chapter 38, verse 21, in which we find these words:

> And I will call for a sword against him throughout all my mountains, saith the Lord God: every man's sword shall be against his brother.

The "him" to which reference is made, as those who have read Ezekiel 38 will realize immediately, is Gog, which most people take to be Russia of today. The meaning of this passage, taken with the rest of Ezekiel 38, would be that the last great battle will be in Palestine, centred around Jerusalem. Hon. members who desire to read into the matter to some extent can read Ezekiel 38 and 39, and also Zechariah 12 and 14, where they will find considerable evidence in support of what I am saying.

I should like to draw the attention of hon. members and of the minister to the words which occur last: "Every man's sword shall be against his brother." I am not quite sure whether that refers to civil war or not, but I am rather afraid it does. Civil war would be the natural result of the communist propaganda which is being circulated so industriously all through our country, and against which many hon. members, including the leader of the opposition, have declaimed during the last year or so.

What can we do to offset this evil propaganda and give our people generally faith? I am glad, Mr. Chairman, that the hon. member for Royal brought to the attention of the minister his recent action in abolishing "Rule Britannia" from the Royal Canadian Navy ships. The hon. member for Royal did the house and the country a service when he said that there was great unhappiness throughout the country today by reason of that action. He spoke in completely moderate terms. Except for just a few people of a certain particular class, I have not met a person who is not saddened because of the ministers' action—not a person.

People will say: "That is a foolish thing; that is funny; why is that?" The important thing is that people do feel unhappy about it. I should like to discuss this question briefly and in a perfectly friendly and mild way. Although the hon. member for Royal raised it the minister overlooked it when he came to make his answers. This matter is one which I believe requires earnest and calm discussion. It is not altogether a matter of sentiment. It is a matter of both sentiment and sense.

I wonder why the minister could not have merely authorized the use of "O Canada" on the ships, so that they could have gone on with the playing of "Rule Britannia" and "O Canada" just as we have our carillon player here play "O Canada" and "God save the King". I do not see why in this way the minister's purpose might not have been accomplished quite as well.

I have been casting about ever since the announcement, wondering what it was that caused the minister to do that thing. Does he feel that the Royal Canadian Navy failed to do the best that it was capable of doing in the last war? Does he feel that it lacked morale, and something like the abolition of "Rule Britannia" would help to restore that morale and bring the navy up to the peak of achievement which the minister desires? I wonder whether that was in his mind. I wonder what he felt might be achieved by abolishing "Rule Britannia."

The minister must have known that in making that change he would certainly give comfort to our enemies. Has the minister taken time to consider what the effect on a certain man named Joseph Stalin would be of the announcement that Canada had abolished "Rule Britannia" from her ships of the Royal Canadian Navy?

Some hon. Members: Oh, oh.

Mr. Blackmore: This is not an occasion for levity. I am just about as intelligent as the hon. members who are scoffing at this matter, and I think you will find that I am just about as well informed, too.

Mr. Knowles: Granted.

Mr. Blackmore: I think you would be surprised at the rejoicing that went on in the camps of the communists when that occurred. I am afraid the minister would feel shocked on learning that he was playing into the hands of the communists in making that move.

There are several international forces that have been seeking the destruction of the British commonwealth for centuries, three of them at least. I am not going to name them. My judgment is that in the ranks of every single one of these three organizations there was nothing but rejoicing on the announcement that Canada had abolished the tune "Rule Britannia" from her ships. This is a matter which requires careful consideration.

I should like to ask what any one of these international forces has ever done for us that would make us want to kowtow to them, or play into their hands, or seek favours from them. They have done nothing

but seek our destruction over hundreds of years. Anyone who is well informed knows that.

On the other hand, what did the move do to our friends? Did it give any comfort to them? Before I read what I am going to read I wish to throw out some protection, because I am going to read from the remarks of Churchill. Five years ago we hung upon every word of Churchill. He was standing between us and destruction. Well, he has not lost any of his intelligence and judgment since that time.

An. hon. Member: Just an election.

Mr. Knowles: Two elections.

Mr. Blackmore: On May 22, when in Worcester, England, he received the freedom of that city, Reuters carried the following report:

> Winston Churchill, receiving the freedom of Worcester city, Saturday publicly expressed his distress that "Rule Britannia" had been abolished in the Royal Canadian Navy. The Conservative party leader said: "It was with a bitter pang that I read in a newspaper that the Canadian navy had abolished 'Rule Britannia' as the tune to be sung on Canadian ships.
>
> It seems to be a very great pity to sever links with the past so full of lustre as that expressed by the words 'Rule Britannia'."

There be those, and I have heard some say it, who say: "Well, it was none of his business whatsoever to interfere in Canadian affairs." I submit that he was not interfering in Canadian affairs. He was just indicating his own feelings to his own people. It was an involuntary cry of pain from Britain—Britain, always our surest guard, our surest recourse in time of danger, ever since we first began to be.

Men in our time are likely to underestimate the importance of spiritual values. We are engaged in a desperate struggle between belief and non-belief, between belief in God and atheism.

Atheism suggests communism. We have had a number of members rise in this house and cry out against communism. May I suggest that one of the ways to offset communism is to teach people to believe in God. I have never heard anyone suggest in the house up to the present time that that ought to be done. I suggest that it is time that we did it.

Internationalism tends to atheism. There will be those who believe in internationalism who will be shocked by that remark. As evidence that internationalism tends to atheism, I suggest that you read the records pertaining to the San Francisco conference; read the whole United Nations documents;

read the accounts of Bretton Woods, Dumbarton Oaks; read the accounts of all the trade conferences; read the accounts of the Atlantic pact. Do you find any reference in them to God? After reading these documents you would think that we had managed to divorce God from the universe.

You rarely hear anyone in our house refer to God when he rises to speak. If I may say so without casting any reflection on hon. members, I would ask how many of them seem to consider it worth while to come in here and listen to the beautiful prayer which is offered by the Speaker every day, calling for the assistance of Almighty God to be with us in our endeavours to cope with our problems. I will not say anything about it; I will just let hon. members come in and count them for themselves a week or two and see just what the situation is. I do not think it indicates very much attention to the important factor of God in our affairs.

I am not a colonialist; I am not an imperialist; I am merely one who desires to preserve the precious heritage of our British people's past—and no people in the world today has anything like as glorious a past as have the British people.

May I read "Rule Britannia," which was abolished from our navy. As I read these words hon. members and the minister himself can say whether they are glad that we turned our backs on these sentiments.

An hon. Member: Sing it.

Mr. Blackmore:

> When Britain first, at Heav'n's command,
> Arose from out the azure main,
> This was the charter of the land,
> And guardian angels sang the strain:
> "Rule, Britannia, rule the waves;
> For Britons never shall be slaves."

Well, does it offend the minister or anyone in the navy or in the army to have the origin of our nation attributed to the divine, to heaven's command? Does it offend any of them to know that guardian angels are taking care of the land and looking over us and our affairs? Does it offend any of them to think that we are aiming at freedom and that Britons never shall be slaves?

Then let us take the second stanza:

> The nations, not so bless'd as thee,
> Must, in their turns, to tyrants fall;
> While thou shalt flourish, great and free,
> The dread and envy of them all.

Does it offend the minister to think that Britain shall flourish great and free, and with her the British commonwealth? Does it offend him to think that Britain shall be the dread and envy of them all? I wonder

if the minister would not be rather pleased, as well as other members in the house, if at the present time the British empire were standing as the dread and envy of Stalin? It would save us plenty of anxiety and headaches just now if she were so standing. And she could have been, if there had been just a little more wisdom used after world war I, and if so many people, ourselves included, had not been so ready to defer to the United States in international affairs.

Still more majestic shalt thou rise,
More dreadful from each foreign stroke;
As the loud blast that rends the sky
Serves but to root thy native oak.

Does it offend any member in the defence department or in the naval organization to think that Britain might actually become stronger from every stroke that she sustains? And the last verse:

The Muses, still with freedom found,
Shall to thy happy coast repair;
Blest Isle! with matchless beauty crown'd,
And manly hearts to guard the fair.

Surely there is no reason why the minister should be sorry that freedom goes back to Britain. I do believe that if we look the world over today and endeavour to find that land in which freedom is freest, we shall find that condition existing in Britain.

I say, Mr. Chairman, that as that hymn stands there now, that hymn "Rule Britannia," every time men of the navy, men of the army or people of the country play it or sing it, it constitutes a challenge to communism, a challenge to every manifestation of the anti-Christ in our day. It is a challenge to all atheistic forces.

I have not found anyone yet who, for any reason, is able to refute what I have said.

Let us examine the meanings of "Britain", "British", and "Britannia". We have been for forty years the victims of skilfully concocted and subtly disseminated propaganda which has sought to weaken the attachment of our people to Britain.

Let us examine these words:

What does "Britain" mean? "Britain" means "covenant land". What does "British" mean? It means a covenant man. What does "Britannia" mean? "Britannia" is the personification of what Britain stands for throughout the world and throughout the British commonwealth.

Why may Britain be called the land of the covenant? Why are British covenant men? Just by way of a simple illustration, let us turn to the lion and the unicorn in our coat of arms. Where do we get the lion and the unicorn? They came down out of the past, a past that is very remote—indeed so remote that we have no record whatsoever of the ultimate origin of the lion and the unicorn in our emblems. Yet there they stand, fighting for the crown, part of the emblems, part of the coat of arms of each and every British nation in the world.

What do they stand for? Well, the lion stands for Judah. The unicorn stands for Joseph or for Ephraim. Judah and Joseph were the two leading tribes among the children of Jacob, who became the children of Israel.

The Deputy Chairman: Order.

Mr. Blackmore: These two emblems take us right back to the 48th and 49th chapters of Genesis. They go back to the whole of the Old Testament. As they stand in our coat of arms they represent to us the Old Testament, the sacred bible, the word of God.

May I read into *Hansard* some pertinent passages from the bible. I direct the attention of hon. members to Genesis 12/3, where the Lord speaks to Abraham and makes a remarkable covenant with Abraham. There is where the covenant which gives Britain its name apparently originated. This is the verse:

And I will bless them that bless thee,—

And this is God speaking to Abraham.

—and curse him that curseth thee: and in thee shall all families of the earth be blessed.

If we are descendants of Abraham—and we are; every person in this House of Commons at the present time I believe is a descendant of Abraham—then, there is the beginning of the covenant that makes us covenant men.

Now may I turn to Genesis, chapter 49, verses 22 to 26. Here Jacob, before dying, is blessing his son Joseph. We read:

22. Joseph is a fruitful bough, even a fruitful bough by a well; whose branches run over the wall:

23. The archers have sorely grieved him, and shot at him, and hated him:

24. But his bow abode in strength, and the arms of his hands were made strong by the hands of the mighty God of Jacob; (from thence is the shepherd, the stone is Israel:)

25. Even by the God of thy father, who shall help thee; and by the Almighty, who shall bless thee with blessings of heaven above, blessings of the deep that lieth under, blessings of the breasts, and of the womb;

26. The blessings of thy father have prevailed above the blessings of my progenitors unto the utmost bound of the everlasting hills: they shall be on the head of Joseph, and on the crown of the head of him that was separate from his brethren.

There is scarcely a member in the house today who is not a descendant of Joseph. In other words here is a blessing which pertains to us, to our race, to our nation, French speaking and English speaking.

I turn now to Genesis, chapter 48, verses 14 to 20, which read:

> And Israel stretched out his right hand, and laid it upon Ephraim's head, who was the younger, and his left hand upon Manasseh's head, guiding his hands wittingly; for Manasseh was the firstborn.
>
> And he blessed Joseph, and said, God, before whom my fathers Abraham and Isaac did walk, the God which fed me all my life long unto this day,
>
> The Angel which redeemed me from all evil, bless the lads; and let my name be named on them, and the name of my fathers Abraham and Isaac; and let them grow into a multitude in the midst of the earth.
>
> And when Joseph saw that his father laid his right hand upon the head of Ephraim, it displeased him: and he held up his father's hand, to remove it from Ephraim's head unto Manasseh's head.
>
> And Joseph said unto his father, Not so, my father: for this is the firstborn; put thy right hand upon his head.
>
> And his father refused, and said, I know it, my son, I know it: he also shall become a people, and he also shall be great: but truly his younger brother shall be greater than he, and his seed shall become a multitude of nations.
>
> And he blessed them that day, saying, In thee shall Israel bless, saying, God make thee as Ephraim and as Manasseh: and he set Ephraim before Manasseh.

I venture to say that there is hardly an hon. member of this house who is not a descendant of Ephraim. In other words, this nation of ours, this Canada, is young Ephraim. But what does it mean? First of all, may I point out that in the verses which I read a promise is made to Ephraim that he shall become a multitude of nations. Will hon. members tell me where in all the world's history there is anything which comes so near to fulfilling that prophecy, that his seed shall become a multitude of nations, as does the British commonwealth of nations? Yet there are people in this country, and apparently in the minister's department, who would destroy that wonderful fulfilment of the promise given to Ephraim.

I think I shall take a few minutes to show something of what it means to us that the British commonwealth is Ephraim. I turn to Jeremiah, chapter 31, verse 9, where the Lord speaking, says:

> They shall come with weeping, and with supplications will I lead them; I will cause them to walk by the rivers of waters in a straight way, wherein they shall not stumble; for I am a father to Israel, and Ephraim is my firstborn.

In other words those Ephraimite people who constitute the British commonwealth of nations are the firstborn, the Lord's especially chosen people. In abolishing "Rule Britannia" I wonder if it was intended that we should turn our back on all these wonderful blessings, which the Lord, in the passage of Jeremiah which I have just read, implied for us? Those who want some source of comfort for the days that are to come should

gather a great deal from that passage. I should like now to quote Jeremiah 51, verses 19 to 21 as follows:

> The portion of Jacob is not like them; for he is the former of all things: and Israel is the rod of his inheritance: the Lord of hosts is his name.
>
> Thou art my battle axe and weapons of war: for with thee will I break in pieces the nations, and with thee will I destroy kingdoms;
>
> And with thee will I break in pieces the horse and his rider; and with thee will I break in pieces the chariot and his rider;

There is a remarkable promise. We have seen abundant evidence of its fulfilment in world war I, in world war II and in the wars of the nineteenth century. Why are we not trusting the Lord in the times yet to come? Why should we abolish the hymn "Rule Britannia"?

I turn now to one more passage of scripture. Jeremiah 30, verse 11, reads:

> For I am with thee, saith the Lord, to save thee: though I make a full end of all nations whither I have scattered thee, yet will I not make a full end of thee: but I will correct thee in measure, and will not leave thee altogether unpunished.

Tell me where there is a nation on the face of this earth that has a finer promise than that. That promise is made to the British people concerning whom "Rule Britannia" was written. Do we want to participate in that promise? I think we do.

May I turn briefly now to some recent British history? Everyone will recall that the Israelites went out of the land of Egypt into the land of Palestine. They remained there for some time and finally they took Saul as their king. They went on to develop under Saul and David and Solomon. After Solomon there was a rebellion, as the result of which Israel was divided into two kingdoms. The first, consisting of ten tribes, was in the north; the second, consisting of two tribes, was in the south. The tribes in the north took the name of Israel or Ephraim because that was the name of their chief tribe; those in the south took the name of Judah as Judah was their chief tribe.

In 721 B.C. the northern kingdom was carried away into Assyrian captivity, the tribes of Ephraim and Manasseh being among them. Later these tribes went away into the north and became the Lost Tribes. Ephraimites and Manassehites in considerable numbers found their way into Britain and Britain grew from them. Probably there will be those who will not accept that story, but I think the evidence upon which it is based is dependable. I would be glad to talk it over personally with anyone who is interested. Thus we have a summary of the history of the British. Several times we have had people agitate in this house for the abolition of the union jack from our flag.

Let us see what these people want to abolish from our flag. I should like to go briefly into the scientific background of the whole subject of the union jack so that we shall be able to see that those who cling to old British traditions are not mere sentimentalists.

What is the meaning of the union jack? Well, the expression "union jack" means the union of Jacob, it means Jacob's flag, the flag which would be flown by the Israelites, by the descendants of Jacob.

What does the union jack consist of? It is made up of three Christian crosses. Many of our French Canadian compatriots, for whom I have the highest degree of admiration, have risen in their places in this house and asked that the union jack be eliminated from our flag. In doing that they are asking that these three Christian crosses be eliminated from our flag. This is the only flag on the face of the earth that is made up entirely of Christian crosses. It is the most Christian flag on the face of the earth. There is no gainsaying that statement. The next time they want to abolish the union jack from the flag of Canada it would be well for them to remember that fact, and also some of the things I am going to suggest to them.

There is a fine scientific treatment of this whole matter to be found in a book entitled "Tracing our Ancestors" by Frederick Haberman which was copyrighted in the United States in 1934. The book is published by the Kingdom Press of St. Petersburg, Florida, U.S.A. Here is a passage taken from the frontispiece:

> Ancient pattern for the Union Jack and the Star Spangled Banner.
>
> The Topez of the Sachi:
>
> A rock carving near Bhopal in India of the 4th century B.C.
>
> Taken from Roberts "British History Traced." (See Chapter XI.)

These words are taken from under the picture on the frontispiece of the book. Some hon. members will be astounded to know that in Bhopal, India, there is a big stone, upon which are carved drapes of the union jack and the stars and stripes, the date of the stone being 450 years before Christ. At the bottom of the picture is the unicorn and the lion!

A good many members will find it hard to believe that our history goes back as far as that. The information is taken from Roberts' "British History Traced", chapter 11, according to Mr. Haberman.

The book "Tracing our Ancestors" is respectfully dedicated to President Franklin D. Roosevelt in these words:

> In the hope that it will help him in guiding our nation through this period of chaos and transition—by explaining the true origin of our race, our mission, and our destiny.

Anyone who desires to be much enlightened on all matters pertaining to Great Britain will do well to read this great work, "Tracing our Ancestors", several times and also to read "Israel-Britain" by Adam Rutherford 1939. May we turn to certain aspects of the union jack? First of all take the transverse cross of St. Andrew of Scotland. This flag, when it stood alone, consisted of a white cross on a blue background with the transverse cross shaped like an X. Where did it come from? What is this transverse cross that the Scottish people loved so dearly? At page 46 "Tracing our Ancestors" has this to say:

> It is by means of this battle axe or hammer that Thor, a Gothic deity spoken of also as Indiri the Divine, overcame his enemies and the devil. Thor's hammer is shown to be composed of four bolts and reference to those bolts is also made in the Indian Vedas, where we read:
>
> With thy Spiky Weapon, thy deadly Bolt,
> O Indra, thou smotest the Dragon in the face.

Much information concerning this whole matter is given in Professor Waddell's fine book, "Aryan Origin of the Alphabet". Professor Waddell further shows that the name of St. Andrew, the patron saint of the Goths and the Scots, is derived from the word Indra or Indara. Thus the story of St. Andrew and his typical X-shaped cross or weapon is simply a legendary form of the story of Jehovah. In other words, the white cross on the union jack against a blue background is the emblem of Jehovah himself. That white cross represents the weapon with which he beat the dragon. It is one of the crosses composing the union jack!

St. George's red cross, the upright cross representing the cross on which Christ was crucified, also has a most interesting history which I am not going to go into in detail. My object now is not to be exhaustive but merely to give enough detail to suggest that there is some sense behind the attitude of many of us towards Great Britain and the union jack. It is not all sentimentality. The stories of St. George's cross and St. Patrick's cross are just as interesting, just as impressive and just as faith inspiring as is that of St. Andrew's cross. All three are combined in the union jack.

Let us contrast the union jack with the hammer and sickle. Ranged on the side of Great Britain you are ranged against such a mundane emblem as the hammer and sickle which stand for materialism pure and simple. Those people who are so active in their efforts to design a new flag for Canada should take their new designs and contrast them with the union jack with all it signifies over thousands of years of history. Contrast the union jack as an emblem under which to fight, under

which to live, under which to die and under which to lie in your grave, with any other flag on earth today, or any other flag you can conceive! You will not find any other flag to compare with the union jack.

"Rule Britannia" recalls the British flag, the union jack. In abolishing it we are turning our backs on the union jack, not of course overtly but by implication.

Great Britain has always been the champion of freedom. Parliament originated in Britain. In 1215 the British fought and won Magna Carta from King John. We have plenty of trouble right now maintaining the rights that were guaranteed under Magna Carta. We bring in a wide variety of high sounding recommendations about human rights, fundamental freedoms and all the rest of it. They won habeas corpus and trial by jury in 1215. Since that time Britons have insisted that they enjoy those rights. "Rule Britannia" recalls the great achievements for freedom made by Great Britain. The very words "Britons never shall be slaves" emphasize that.

"Rule Britannia" suggests Britain's future. We do not know what it will be except from what the prophets say. We have already established the fact that the British are Israelites and Ephraimites. The quotation I have given from scripture indicates what the Lord is going to do with them. He says, "Though I make a full end of all nations, whither I have scattered thee, yet will I not make a full end of thee".

The Chairman: The hon. member has now spoken for forty minutes. Has the hon. member leave to continue?

Some hon. Members: No.

Mr. Adamson: I was hoping that the hon. member could continue. I was very interested in what he had to say about a Canadian naval song because it is apropos of what happened when a Canadian squadron of corvettes left the Mediterranean during the recent war. As they sailed through the straits of Gibraltar a famous signal was sent by the admiral to the Canadian squadron. I have not been able to look it up in the recent book sent to us by the minister, but I think it was something like this: "Good hunting and good luck to you, Canada. You have been a breath of fresh air to this hot and murky sea." I was talking to the yeoman of the signals who took that signal down, and he told me that the garrison was at a loss to know what national song to play as a salute to the Canadian navy. He said that, as a most acceptable and peculiarly Canadian naval song, they struck on the song known as "The North Atlantic Squadron". It seems to me interesting that that song was played at that time, and I think appropriate.

Mr. Chairman, today in Canada we find ourselves in an entirely new role so far as defence is concerned. We are no longer an isolated country. The old policy of "no commitments" which was practised so assiduously by the Right Hon. Mr. Mackenzie King is no longer possible. Many of us on this side of the house, and myself in particular, think he adhered to that policy far too long. Politically it was wise, but internationally it was tragic. Today we are an integral part, and a very important part, of the community of nations who desire to be free. The recent declaration of the Atlantic pact, the recent formation of a group of allies whose one aim is individual and personal freedom, is of great significance to us in Canada because we are an essential part of that organization.

The so-called cold war has been going on for a period of three or four years. Unfortunately, apart from one or two major successes, the greater portion of the victory must go to our enemy. Certainly, on the basis of territorial considerations we have lost ground. Not only have we lost ground in Europe through the loss of Czechoslovakia, but we have lost ground seriously in the Far East. China, Indo-China, and great areas of Thailand have been debauched to the point of endorsation of the communist ideal. One of the most potent weapons in the communist armoury is the weapon of propaganda. It may seem trite for anyone in this house to say that. But, Mr. Chairman, we have had to battle propaganda and so far we have suffered many defeats. In the cold war, which is costing us nearly half a billion dollars in these estimates, one of the most important weapons is the weapon of propaganda. It is a weapon which we are peculiarly capable of using. The propaganda issued by the communist countries has attempted to show the United States as a war-mongering, predatory aggressor nation. Even so learned a person as the Prime Minister of Pakistan, who addressed this house a short time ago, stated that the feeling in Asia was that the United States was bent on war with Russia.

As a neighbour of the United States, and as a small and defenceless neighbour, I feel that we have not used our position to full advantage in international affairs. I believe the government is remiss on this point. For years politicians on both sides of the border, but particularly on our side, used to talk about the great undefended border. It was the opening gambit in most speeches about

international good will. It meant very little in North America and it was taken as a matter of form. Mr. Chairman, it means a great deal to the rest of the world. To us conflict with the United States is unthinkable, and that fact is taken for granted. But in many cases it seems strange to an oriental, or even a European, that a great power could live at peace with a small power, without any predatory instincts, particularly when the small power has the essential sinews of war that the great power must have. I mention this because in Canada today we have more and more of the raw materials and other sinews with which any future war will be fought, and the United States is becoming more and more deficient in those materials. The very fact that the stockpiling program is going on at the present time shows how serious this condition is. Today not only our base metals, but our food, our supply of fissionable material, and our supply of ferrous metals as well as of the newer metals such as titanium, form the basis on which any war in which the United States is engaged will have to be fought. Copper, lead, zinc, iron, nickel and aluminum are the metals which form the background of all wars. We have them. The Americans are becoming deficient. Yet, Mr. Chairman, we live in complete peace and friendship with the United States. Too little has been made of that fact in our dealings, not between ourselves on this continent but in our propaganda directed to the oriental countries and countries behind the iron curtain even if we could get it there; and believe me, Mr. Chairman, that is not an impossibility. I would therefore hope that the government and the Department of National Defence, through shortwave radio or through other methods would show not that we are not a warlike people but that the Americans are not a warlike people. They cannot say that for themselves, but we as their small and defenceless neighbours can say it with great effect throughout the rest of the world.

I want to deal briefly with the national defence committee that was set up on Bill 133. That committee, which had to deal with an involved and complicated matter, has just made its report. I think almost without exception the members of the committee agree that it was one of the most valuable, the most interesting and the most productive committees that had ever sat in the House of Commons. What were the reasons why that national defence committee was such a success? I think the first one is that members on all sides are agreed that on the subject of national defence there shall be no politics. The matter of the defence of the country, involving the welfare of our families and our homes and in fact our very lives, transcends all questions of political loyalties. The committee therefore was successful and worth while, first, because the question of politics did not enter into the deliberations.

But there was another important reason why that committee was successful. It was that all during the extremely lengthy sittings we had the advantage of having before us in the committee the senior officials of the Department of National Defence. The adjutant general was not there but the judge advocate general was in constant attendance. The heads of the law branches of all three services were in constant attendance. The provost services were represented at frequent meetings. The deputy minister was there for several of the meetings. Other experts from the Department of National Defence were also available for that committee.

The committee had to deal with an involved matter, for it dealt not only with matters of discipline but with aid to the civil power, security and a great number of other matters having to do with national defence. Whenever a particularly technical question came up, the service experts were there to answer it in committee. Questions could be asked and the information accurate and complete was immediately available. If the question could not be immediately answered, the experts of the services got together and jointly answered it, or as happened on many occasions, they referred it back even to the chiefs of staff committee.

The problem before us was complicated and involved; but the fact that we had available to us the expert opinions of the high officers of the department dealing with this matter tremendously aided the deliberations of the committee. Again I want to make this plea to the minister. Here today, in the committee of the whole house dealing with national defence estimates, we have had question after question asked of the minister and many more questions will be asked of him. Those questions could be dealt with and answered immediately and technically by the chiefs of staff or by the heads of the naval, military and air branches. They are questions which I think the committee is entitled to have answered.

Mr. Claxton: May I ask the hon. member what questions he is referring to that I have not answered today?

Mr. Adamson: The questions that are given—

Mr. Claxton: What questions?

Mr. Adamson: The question of the cost of the *North Star.*

Mr. Claxton: I have that right here. It is the only question I have not answered that was put to me today. I have the information.

Mr. Adamson: The question of the cost of *Magnificent.*

Mr. Claxton: That was given.

Mr. Adamson: Yes, with very considerable discrepancies in cost.

Mr. Claxton: No.

Mr. Adamson: One senior officer gave one answer and the minister gave another.

The whole problem of national defence is something that cannot be dealt with secondhand because it is so involved and so technical. If there is the question of the use of a new weapon, if there is the question of the use of the air arm, if there is the question of the expenditure on, shall we say, atomic warheads, the proper people to have that information are the technical advisers in the defence services. The minister gets the information from his advisers. He gets it secondhand. He must get it secondhand because no minister, no single person, can carry that information in his head. It is impossible. The question of national defence is so involved that, even in dealing with the one question of uniformity of the code of discipline that this bill dealt with, we had no fewer than five persons to answer various questions put to them by the committee. They were in constant attendance while the committee was sitting. That was efficiency. That was not having a question asked and the minister asking his experts in front of him. They have a great deal of the information, but they cannot give as detailed and as factual information as could the actual staff officers who will have to deal with the operation of the department and probably with the use of the weapon in question.

An example of that was given this morning in the question of the value of various appreciations of artillery fire and artillery competition. I am not an expert in artillery, but there was certainly left in the minds of the committee some considerable doubt as to the value of these various types of competitions. If we had a senior artillery officer who could answer the questions immediately and give the factual details about the problem facing modern artillery, it would be to the advantage of all. The minister cannot do that. The minister must get his information secondhand. The minister could go and see artillery being fired; but with all due respect, I submit that he does not know as much about it as the men and the officers who are actually doing the work, using the weapons.

To deal with a matter such as this we need the best possible advice. There is no question of secrecy. If there are new weapons on the secret lists, that fact can be stated. Mention can be made of the fact that they are on the secret list, and, as in the national defence committee, nothing further will be discussed in regard to them. But I do want to say again that on this matter of national defence the greatest single item of governmental expense, the thing which may make or break our security and on which our whole life depends, requires the most efficient and effective treatment that this house can possibly give it. I think the other hon. members of the national defence committee will say that the efficiency and the effectiveness of that committee could be copied by this committee of the whole house, and that a great deal of good would come from it.

Unfortunately, I was not here yesterday. In reading over the discussion in *Hansard* I could not find anything being said about preparation for submarine warfare. I am not now referring to antisubmarine warfare, because that is one of our principal tasks. Today, whether we like it or not in any future conflict, no matter what the new weapons and weapons of mass structure are, one of the jobs that Canada will have to do will be the job of transportation. We will have to continue to keep the sea lanes open between ourselves and our allies, particularly on the Atlantic. Today the air arm is being stressed, but with the new weapons the underwater arm, the submarine arm, has assumed almost equal importance with the air arm. With the tremendous speed of the modern submarine, with the enormously improved hitting powers of the modern torpedo, with the tremendously increased distance that can be travelled at very much greater speed, the submarine is not only an offensive weapon of the first magnitude, but a defensive weapon of equal power. We are vulnerable with an enormous sea coast, vulnerable in our harbours, vulnerable also to the atomic weapon used under water. We have apparently decided not to embark on the construction or bringing into force of a submarine arm of the navy at all. I mentioned this before. I still feel that the submariner is one of the most important warriors of the future.

I should like to ask the minister whether it is on account of costs, whether it is on account of our shipbuilding industry, or

what are the reasons that we have not embarked upon this type of warfare. The major countries of the world, including Russia, the United States and the United Kingdom are concentrating more and more upon the submarine as a weapon. Apparently however that is not the policy of this administration. Perhaps there are good reasons for this; perhaps we have not embarked upon it because of costs. But the submarine nearly beat us in 1916-17, and came even closer to beating us in the last war. It seems to me that to neglect this weapon, which so nearly destroyed us, is not realistic. I should remind the house that the first submarines to cross the Atlantic were built in Canada. We cannot train, we cannot build, we cannot produce a submarine force in a short time. It is expensive, as are all matters connected with defence. But if we are met with this problem after war has broken out time will be our enemy. Now time is on our side, and I would therefore ask the minister what consideration has been given to this matter and what are the reasons for failing to embark upon this particular phase of naval warfare.

We do not know whether the weapons of mass destruction, particularly the hydrogen bomb, can be produced. But from every authority, including the Secretary of War in the United States, it seems pretty well established that the hydrogen bomb can and will be produced. There is no need to be unduly depressing; but if these can be released and can be detonated—if that is the correct term when speaking of fissionable material—then whole tracts of country and hundreds of thousands or even millions of people will be destroyed, not by the explosion itself but by the radioactive effect left on the contaminated ground by this new weapon. That is something to which consideration should be given. Just how far the matter has been considered, I do not know. Perhaps the minister will say what has been and what is being done in connection with atomic warfare. This is something in which the civilian population will have to take part. Let us not fool ourselves: there will be no scruples on the part of any enemy to refrain from using the weapons of mass destruction.

In the United Nations we pass pious resolutions about genocide. Believe me, there will be no adherents to that resolution if another war breaks out.

Mr. Claxton: I am sure my hon. friend would not like to convey the impression anywhere that we would break any resolution we passed, and be the first to do so. It is important that that impression should not go out.

Mr. Adamson: Atomic weapons are those which produce the mass destruction of a population. In the terms of the resolution they must be genocide producing weapons. Believe me, if these are used against us, as they will be, we will certainly retaliate. We must be realists about this thing; there is no use passing pious resolutions. We have got to be prepared to fight with the weapons that have been discovered, and the whole question of our defence depends upon the effective way in which those weapons are used. It is just idle talk to assume that a conference of the United Nations or a resolution passed anywhere will stop any enemy of ours from using these weapons against us. That is one of the horrible things we have to consider.

I suggest again that the whole question of defence requires a treatment similar to that it receives both in the British House of Commons and in the Congress of the United States. We are inescapably woven into the same defence mechanism. I feel that our people in Canada must be told the facts—and told the facts in as great detail as possible. There is no way of having security in the world today except by being adequately prepared. I feel the Canadian people must have an opportunity of getting the fullest possible details as to that preparation.

Mr. Claxton: The hon. member apparently crept up to the suggestion that parliament should deal with the matter of defence in some way other than that in which it is now being dealt with. In that respect he was out of order, but he took some time to arrive at that point and only came to that conclusion at the end of his remarks. Otherwise I would have felt it necessary to raise the point. I shall not follow him in being out of order.

With regard to the suggestion that we should have one or more submarines in the Canadian navy, I remember the hon. member made the same suggestion when the defence estimates were under consideration in 1949. I indicated to him the objections we had to that. The submarine is a very specialized type of vessel and its crew require special training. It simply is not economical for a navy with a strength of approximately 10,000 to divide its forces so that there are one or two units of each type. To have a single submarine would require equipment and stores, highly trained technicians and personnel, all of which would be exceedingly expensive and would not bring about any results that we cannot obtain under the existing arrangement by which we borrow

submarines when we need them from the United States or the United Kingdom. That works out very satisfactorily.

With regard to the question asked by the hon. member for Peterborough West and also replying again to the hon. member for York West, I think it is the only question so far put to me today that I have not answered. The hon. member was inquiring about the trip of the Secretary of State for External Affairs and his party. It should be remembered that he had with him members of the delegation going to the conference at Ceylon and to the other places which were visited. The cost was based on $115.74 per flying hour for 130 hours and 50 minutes, and amounted to $15,142.65, of which external affairs share was $7,571.33, which they paid.

The R.C.A.F. took the position, which seems to be quite justified, that this was a valuable training exercise. There were two complete crews and they had the advantage of circumnavigating the world, the first R.C.A.F. aircraft to do so. Flying is one kind of military occupation which you can learn only by doing. It is of great value to fly in every part of the world and familiarize yourself with weather and landing conditions, airfields, geography and the like.

Mr. Harkness: I was surprised at the statement made yesterday by the minister as part of an answer to a question of mine. This is to be found on page 3377 of *Hansard*, where the minister is reported as follows:

> I might say, since the hon. member has expressed interest in it before, that at the present time we have more trained paratroopers in Canada than landed in the low countries in the German invasion in May, 1940.

I find it extremely difficult to accept that statement. At the time of the invasion of the low countries by Germany in May, 1940, the general idea spread about by the newspapers was that there were many thousands of paratroopers landed there. As a matter of fact, I think most people are still under the impression that there were thousands.

Mr. Claxton: Twenty-two hundred.

Mr. Harkness: As a matter of fact, the picture was considerably exaggerated. The actual number of paratroopers and airborne troops that were landed was discovered after the German capitulation when the commander in chief of the German airborne army was interrogated. The details of that interrogation are to be found in a book by Liddell Hart, who was chief military commentator for the London *Times* before the war and is one of the best known military experts and writers on military matters. In his book called "The Other Side of the Hill" he gives details of the interrogation which show that the actual number of German paratroopers landed in Holland was 4,500, with another 500 being landed in Belgium, making a total of 5,000 for the low countries. In addition one airborne division of 12,500 men was landed.

As I say, I find it extremely difficult to accept the fact that we have 5,000 trained paratroopers. That would be more than the number of men that would be trained as paratroopers in our mobile brigade group if that brigade group were completely up to strength, which it is not. The people trained as paratroopers are chiefly infantry men. There are infantry battalions in our brigade group and if all the men were trained—I know they are not—you would have a total of only 1,800. In addition to that there would be signallers, engineers, a limited number of artillery men who would act as forward observation officers, and other personnel of that sort. If the artillery is to be landed and is to be effective it must be from gliders or planes, and the same thing with the armoured corps people. Under those circumstances I find it extremely difficult to accept the minister's statement.

Statements of that sort do a great deal of damage. I know the minister has no intention of deliberately misinforming the house or the country, but it so happens that that particular statement has been given wide publicity in the newspapers and over the air. To put out the idea that we have more trained paratroopers than the Germans dropped on Holland and Belgium in May 1940 is just ridiculous. It creates a false impression as to our defence situation.

This is the type of thing—I think it is unintentional in most cases—which the minister does quite frequently. This morning the leader of the opposition brought up the matter of artillery training. There are two or three other incidents which I shall refer to later, but I simply wanted to point out that it is absolutely useless, as far as giving information to this house is concerned, to make statements such as that.

The general public do not know just how many paratroopers the Germans did drop, but the general idea is that it was tens of thousands. Therefore the statement is misleading from that point of view. I am quite convinced that we do not have over 5,000 trained paratroopers and I doubt whether the minister will maintain that we do have that many. My remarks would apply also to statements setting out percentages, to show that the percentage of personnel in the navy was greater than in any other country. That gives a wrong impression to the general public who do not have any detailed

knowledge of these things. I think it is time we got away from statements of that kind and were given some definite information which would outline the picture as it is. I wish the minister would comment on the paratroop statement which he made yesterday.

Mr. Claxton: The information I have is that the total number of airborne troops that were landed is 2,200. The hon. member has referred to Liddell Hart's book. I have no means of verifying the accuracy of that but it would seem to me that the discrepancy would probably be explained by the fact that the men concerned would certainly land more than once in successive operations. The number I have in mind, which is the number I was given, is 2,200.

Mr. Harkness: What is the source of your information?

Mr. Ferrie: It is not general so why should you have it?

Mr. Harkness: I am asking the minister what is the source of his information as to the 2,200 because if he has taken a figure of 2,200 which he picked up any place the statement he made is all the more misleading to the country. It is all the more reprehensible to have a statement made along that line. I do not know of any better source of authority than the interrogation of General Student, who was the commander in chief of these men, when he was in allied hands after the war, as to the number of people dropped. I do not know where you are going to get anything more accurate. I would refer the minister to the book if he wants to look it up for himself, but I can assure him those are the figures that are there.

Mr. Fulton: Mr. Chairman, I wish to refer again to questions which have been asked concerning the effect upon this country of recent and other decisions under the Atlantic pact. I must say with regret that I am not satisfied yet with the minister's answer. That brings immediately to the fore the statement the minister has made with reference to our complaint about the difficulty of getting information. That matter was referred to last night, and after the hon. member for Greenwood had spoken, the minister, with a considerable display of heat for a time, replied that no question asked in committee of supply on his estimates went unanswered, and that the only questions he had ever failed to answer were two or three concerning details of strength and so on which for security reasons it would not be proper to answer in the committee.

Mr. Harkness: I just asked him one and he has not answered.

Mr. Fulton: The hon. member for Calgary East points out that another question has just been asked now which has not been answered. Referring to this matter the minister said, as reported at page 3388 of *Hansard* for June 8:

> I feel that this committee is entitled to get everything possible, and that has been my view right through. If there is anything that we can give that we have not given, tell us so that we can give it and not keep on saying that you have not information that you have never asked for.

I say we have asked for information, Mr. Chairman, as to the effect of the Atlantic pact and the various decisions made and conferences held under the pact on Canada's defence policy, and that we have not yet had an adequate answer to those questions. The only answer we have had in this debate is that the treaty and these decisions have no immediate effect upon Canada's defence plans. At page 3375 of *Hansard* for yesterday the minister said:

> . . . our defence has never been envisaged as the defence of Canada alone but the defence of Canada as part of a continent, and indeed the defence of Canada as part of the defence of the western countries which would all be involved in the event of a war for our freedom.

A little further down on the same page the minister said:

> But we do not believe it will have any immediate or very considerable effect on our own defence forces, because our defence planning has envisaged the operation of our defences in conjunction with other nations at all times.

At page 3376 he is reported as saying:

> . . . I told the house then, as I tell the committee now, that we have not.

That is, no specific military commitments.

> I am not too sure that the North Atlantic treaty organization will ever develop in a way in which there are specific military commitments. That remains to be seen. It remains to be worked out.

I point out to the minister that the statements by the United States military authorities are at variance with the statements made by him in discussing the effect of over-all defence strategy under the Atlantic treaty and similar mutual defence arrangements. Taking the minister's statements that I have just quoted and analysing them, it surely must become obvious that there is an effect or ought to be an effect on Canada's planning because if we have envisaged the operation of our defence in conjunction with other nations at all times, we have reached the stage now where the other Atlantic pact nations with whom we are associated are assuming certain definite responsibilities themselves with respect to the elements of the joint force they are going to contribute. If they are doing that then surely we are in a position, and certainly should be, of making up our minds as to the elements of the joint force that we

are going to contribute, and particularly making plans as to the role in the over-all strategical concept which Canada must discharge.

Looking at the white paper on defence we find we are in the very humiliating position of referring at length in our statement on defence policy to what the Americans have said is their concept of the role of the United States in the mutual defensive arrangements which are being made, and at the same time we have no indication of what is Canada's role under these mutual defensive arrangements. We have to look to the pronouncements of the United States chiefs of the joint staffs to find any indication as to what arrangements have been made and what responsibilities have been accepted by any of the members of the mutual defensive arrangement with regard to the problem of joint defence. I think it can and should be said that the minister's statements in answer to the questions in the course of the debate yesterday are at variance with his own statements in the white paper on defence published last November because in that paper he said at page 8:

It is still too early to spell out the consequences of the pact in terms of men and dollars. One thing must be emphasized: the North Atlantic treaty is a pact for peace. Its final result will not be to increase the expenditures which every nation on our side must make. By pooling resources, the effect of the pact should be to reduce the total expenditures which each of the twelve countries would have found necessary for their security had there been no pact. However, that result is some distance off and in the meantime, Canada will have to make such modification of her plans as may be found necessary to meet the situation. While the North Atlantic treaty makes for security, it will only be effective in so far as it represents a pooling of strength rather than a dilution of strength.

We are told in the high sounding statements which have been made in the house with respect to the communiqué after the joint meeting in London that decisions of vital and far-reaching importance with respect to the over-all defence planning have been taken. If that is the case, then surely we are entitled to take the words at their face value. But assuming that those decisions are what they are said to be, decisions of far-reaching importance, and that progress is being made in the planning of joint defence under the pact, then the answer the minister made last night, that it has no effect upon our defence strategy, is at variance with his earlier statement in the white paper that the Atlantic pact will have an effect in reducing the total expenditure which each of the twelve countries would have found necessary if there had been no pact.

[Mr. Fulton.]

This white paper goes on to analyse the defence implications, and those are the words used, with respect to the Atlantic treaty. It says:

At the meeting of defence ministers on October 5 the north Atlantic nations requested that the regional groups should complete their organization early in November.

That is eight months ago.

Strategical planning will then be undertaken by representatives of the nations in each group. Those plans will be co-ordinated by the military committee standing group composed of representatives of the chiefs of staff of France, the United Kingdom and the United States. In this way there will be prepared an over-all strategical plan with an indication of its requirements and how they will be met. Requirements of equipment will be referred to the military production and supply board. Reports on progress will be made at the second meeting of the defence committee.

I wish particularly to emphasize the words, "In this way there will be prepared an over-all strategical plan with an indication of its requirements and how they will be met." Canada, as a member of the North Atlantic treaty, must obviously, in view of the statements which have recently been made with regard to collective security and balanced forces, be prepared to meet certain requirements when those requirements have been laid down. Again, unless we are being told that the decisions taken at London were not of such importance as has previously been indicated, then we can only assume that decisions along the lines of what would be the joint requirements have been taken, and we are therefore entitled to be told what their effect is upon Canada's defence strategy.

Then the white paper continues:

While the strategy of the north Atlantic powers has not yet been formally stated, our participation in planning for the defence of this continent and of the western union gives a clear indication of the main lines of strategy though they may not have been put into words. Our planning has been flexible and can be adapted to any responsibilities we may assume.

This passage clearly indicates that the western union, which is another name for the north Atlantic alliance, will have a definite strategical plan, or has one. Canada, as part of that alliance, must undertake certain responsibilities with respect to carrying out that strategical plan. We want to know what the effects of that are upon our defence planning at home.

It is interesting to note, Mr. Chairman, that immediately following this section in the white paper outlining the defence implications of the North Atlantic pact, there is a lengthy statement quoted from General Bradley's testimony before the foreign affairs committee of the house of representatives on July 29, 1949. His statement was made during the hearings on the Mutual Defence

Assistance Act of 1949. Is it important to realize where this comes in the context, because this statement of General Bradley is quoted immediately following the purported analysis of the defence implications of the North Atlantic treaty. It can only be taken therefore, as indeed is obvious, as implying that General Bradley's statement on the Mutual Defence Assistance Act is immediately related to the over-all strategical plan under the north Atlantic alliance. The minister tells us that he cannot say what the effect of the Atlantic treaty on Canada is. He cannot outline any responsibility which we have assumed, or any commitments which we may be prepared or preparing to consider. It is significant that General Bradley goes into clear and concise detail as to the responsibilities which the United States might have assumed under this over-all defence set-up. It is significant to note that General Bradley gives his outline to the foreign affairs committee of the house of representatives. He stated:

> In our approach to this arms-aid program, the joint chiefs of staff have followed the principle that the man in the best position, and with the capability, should do the job for which he is best suited.
>
> Further, our recommendations—

That is the recommendations of the joint chiefs of staff to the government of the United States.

> —for this program have been predicated upon this basic principle, and the following assumed factors:
>
> First, the United States will be charged with the strategic bombing.
>
> We have repeatedly recognized in this country that the first priority of the joint defence is our ability to deliver the atomic bomb.
>
> Second, the United States navy and the western union naval powers will conduct essential naval operations, including keeping the sea lanes clear. The western union and other nations will maintain their own harbour and coastal defence.
>
> Third, we recognize that the hard core of the ground power in being will come from Europe, aided by other nations as they can mobilize.
>
> Fourth, England, France, and the closer countries will have the bulk of the short-range attack bombardment, and air defence. We, of course, will maintain the tactical air force for our own ground and naval forces, and United States defence.

Then he goes on to outline other considerations and specific undertakings or responsibilities assumed by the United States in connection therewith.

I want to close by saying that General Bradley, who is head of the joint chiefs of staff committee, has indicated clearly the responsibilities of the United States under this over-all defence arrangement. In Canada we have had no such indication. In the United States, General Bradley gives his evidence before a committee of the house of representatives. We are told that this committee of the whole is the only committee we will have, so we cannot be given such information because apparently Canada has not been prepared to assume any responsibilities. That is the meaning of what the minister told us yesterday. If his statements were correct, the inference is that we seriously lag behind the United States in assessing our responsibilities, and apparently in our preparedness to assume those responsibilities. I for one am not content to believe that is the case. I am therefore more dissatisfied with the minister's failure to make a clear statement to this committee in answer to our questions as to the effect upon Canada's defence planning of the recent decisions taken under the North Atlantic pact.

Mr. Claxton: I have already dealt with those—

Mr. Fulton: You have not; you have evaded it.

Mr. Claxton:—in every possible way that plain English could be used. This is an extremely important principle which was declared at London, and the announcement of that declaration was made by the Secretary of State for External Affairs in this house on June 5, 1950. I have said, and I repeat, that this involves no immediate change in the composition of our defence forces, and we do not envisage it as involving any change in the immediate future—and by that I mean within the period covered by these estimates, 1950-51. However, I gave the leader of the opposition, in reply to his question, the assurance, which certainly would not be necessary because I have made it quite plain before, and it makes common sense, that Canada's position will be considered and is being considered in the light of changing circumstances, and of this new principle. I would point out to the hon. member and to the committee that in the statement he read from General Bradley reference is made to the special role of the United States with regard to the provision of strategic bombing. Canada has no such special role. We are not going to do any strategic bombing, as that term is now known. That is one of the special roles for which one country is earmarked. He did not mention any other special responsibilities of the United States, but of course there is one. The United States is making a substantial contribution towards the re-equipment of the countries of the North Atlantic treaty. Canada has not to date felt it possible so far to make that kind of contribution but the situation is constantly being examined and will continue to be examined. I cannot state that the situation has changed until a change occurs. However, that it will produce changes in our defence planning is likely; but from the nature of our defence forces I do not believe that there will be major or drastic changes.

As the hon. member referred to General Bradley, I should like to quote a statement made by him which is important not only because he is chairman of the joint chiefs of staff of the United States but also because he is chairman of the standing group under the North Atlantic treaty. This is from a speech he gave at Chicago on April 14 in which he said:

> The defensive plans made at The Hague and submitted to our government need not change the balance of forces nor decrease the appropriations requested from congress for the armed forces this year.

This statement indicates that the position taken by General Bradley at that time is exactly the same as the position taken by myself. No other position is possible, because the agencies of the North Atlantic treaty which are considering requirements and ways of meeting them have not yet met to deal with the changed situation since the declaration made at London in favour of balanced forces. There simply has not been time for these agencies to meet; and that should be perfectly clear to the hon. gentleman.

Mr. Fulton: I wish to say just a word or two in reply to the minister, Mr. Chairman. In the first place, there are some omissions from and inaccuracies in what he has just said. He said that, in the statement of General Bradley to which I referred, General Bradley outlined only one special commitment or responsibility of the United States and that was with respect to strategic bombing. That is not the case at all. General Bradley referred to a second responsibility of the United States:

> Second, the United States navy and the western union naval powers will conduct essential naval operations, including keeping the sea lanes clear.

Mr. Claxton: That is not a special responsibility.

Mr. Fulton: It is obvious that the United States has assumed the responsibility of making a substantial naval contribution to this mutual defence force in addition to the strategic bombing force to which the minister made reference.

The minister says that no change can be forecast, as a result of this Atlantic treaty and the decisions taken under it, that will have any reflection or bearing upon the estimates which are now before us. Therefore his answer, he says, is correct, when he says that they have no immediate effect upon Canada's defence force. I think his words were "no effect within the time within which these estimates are forecast".

That seems to me to indicate the unreality of this method of proceeding because these estimates are forecast upon building up armed forces of a certain composition: so many men in the navy, so many in the army and so many in the air force, with so much equipment for each of these three components of our defence forces. It is not realistic to say that we should not look beyond the end of this year in dealing with the estimates that are now before us. Our whole point is that we want to know whether or not we are spending this money efficiently; whether we are in fact spending money now to equip with good weapons forces which may be thoroughly efficient forces in the abstract, when in a year or two from now, or less, we are going to have to change the relative composition and components of our forces. It would be a shocking waste of money to spend millions now upon building up any one of the components of our defence forces when in a year or two's time that component will be reduced possibly quite substantially, relative to the others, as a result of some joint agreement with the other Atlantic pact powers. That is why it is impossible and unrealistic to expect us to confine our attention only to this year and to say, "Do not look ahead beyond the end of the fiscal year and the estimates that are now before you." That might, and I think it would, involve the most shocking and disastrous waste of public money.

Then as to the other point which the minister made, with regard to the further statement of General Bradley on April 14, I think he said it was where the general was quoted as saying that the decisions under the Atlantic pact would have no effect or make no change in the amount of money that congress was asked to authorize for the United States forces. That is perfectly natural because, as we have already seen, the United States has accepted certain responsibilities with respect to the forces that it will provide under this mutual defensive arrangement. Those responsibilities are already known and were known last November. In fact, they were known in July of 1949 when the statement which I have read was made by General Bradley. Therefore the composition of the United States forces for this year, which he was discussing in his later statement referred to by the minister, was determined on the basis of those responsibilities which had been accepted under the mutual defensive arrangement. Therefore, of course, no change will be effected in the United States forces by these decisions, because their responsibilities were already outlined; but apparently Canada's were not. We therefore may be in a position where a change in the composition of our forces will result from decisions under the Atlantic pact. That is the point that we

make. That is why we are so insistent upon being given the fullest information as to the effect it will have. We are reluctant to vote money for building up forces which may not be required when the joint defensive arrangement is concluded.

Mr. Claxton: I quite agree with the hon. gentleman in his last statement. If he or anyone else could indicate that any part of our forces was not required at the present time, I should be glad indeed to get that information, consider it with the officers of the department and act on it. But he cannot give that information and he cannot give that advice. He refers to the responsibilities of the United States being known. If by that he means the same thing, then, as I have said time and again, our role in naval operations is definitely known by all Canadians and certainly recognized by the House of Commons. It is antisubmarine work, largely in the waters across the north Atlantic and coastal protection on both coasts, something which I have stated ever since 1947 and which I do not think anyone has ever disagreed with. That role has been recognized by us and acted upon by us; and it corresponds, I would say, closely to what he says General Bradley said was the role of the United States navy.

Mr. Fulton: But the minister never said that. That is the point. The minister has never indicated that that is our role in the north Atlantic alliance. That is the sort of information we want.

Mr. Claxton: I have indicated that the existence of the north Atlantic alliance has not so far changed in any fundamental way our role as we have already conceived it, stated it and are acting on it. I never suggested for a second that we should not look ahead. Of course we have to look ahead. That is what we are doing, constantly revising programs and implementing policies. This new and important principle of course will be a very important factor to be taken into consideration. We have been looking ahead so far as it has been possible to do so, myself and officers of the department, in anticipation of the meeting of the agencies of the North Atlantic treaties, but that is no indication that we should stop any part of our defence activities right where they are and change them for anything else. There are no factors which would lead us to take that course of action at the present time.

Mr. Blackmore: I should like to tell the minister that I feel he is handling the situation well. I have listened carefully to the questions. I think the Conservatives have done a good job in questioning the minister and I believe he has done a good job in answering. My own feeling is that our defence is in good hands and being taken care of. The minister has my confidence in that respect. I am sure he will justify it.

Before closing my remarks a bit earlier in the afternoon I wanted to make one or two comments that I do think are important at the present time. I wanted to say that whereas there are a great many people who believe that our security is to be found in international agreements I do not concur in that view. I think we shall find that the more we rely on international agreements the greater will be our disappointments and frustrations in the end. I may be wrong in that. But I want to urge upon the minister that while he co-operates with international organizations such as the Atlantic pact, which thus far could be all to the good, he take the very greatest care to see that nothing is done which will cause Canada to surrender her sovereignty in any respect to any agency which is set up under the Atlantic pact.

The other day we had a discussion of the estimates of the Secretary of State for External Affairs. If one-tenth as much of Canada's sovereignty had been required by Britain even in the war of 1914-18 there would have been a scream that would have rent the skies and torn the stars down. But we calmly accept the most extravagant suggestions as to what we are going to agree to do in obedience to some single individual appointed by the Atlantic pact!

Now, Mr. Chairman, that is serious. I happen to know that for over 75 years certain definite international forces have been aiming at the destruction of the British commonwealth and the establishment of a world state under which no nation will have sovereignty.

I can find on record statements that are unchallengeable, which will prove that such has been designed. I have strong evidence to show that world war I was deliberately designed by these men who aim at this objective. All during that war they carried on their manipulations, their machinations, with the aim of bringing about their objective; and as soon as world war I was finished they began to plan world war II with the same object in view. They by that time started talking openly about what their aim was, as I pointed out the other day in the debate on the external affairs estimates, they started telling us about what they were working for as early as 1941 and 1942, and the evidence can be found in great United States magazines. The handwriting is too clear for us to disregard, Mr. Chairman.

If our greatest security, economically, politically and in every other way were to

be obtained through such measures I should not find it bad enough; but there is no guarantee whatsoever that that security can be secured or will be secured by such measures, or that the object of these men, who are aiming to build up this world organization, is to provide security. Rather the appearance is that the very opposite is their aim, namely, not to provide security but to make us take what they want to give us and make us like it.

I submit, Mr. Chairman, that when the objective of these gentlemen is achieved it will be too late to get up and talk. We shall have given over our sovereignty. That is one reason why I am talking as I am today. I see a genuine danger.

I wish to urge on the minister that while we are ready to co-operate with any person of good will or any number of persons, we are not prepared to surrender one jot of our sovereignty any more than this parliament would have been prepared to surrender any of our sovereignty to Great Britain in 1934 or 1935 when the need for preparation was tremendous, and Great Britain was prepared to offer leadership, but we were everlastingly worrying about how much of our sovereignty we were going to surrender. Let us worry just as much about how much of our sovereignty we are going to surrender to these international people, no matter how high their position may be.

I say again to the minister that while he may work and co-operate with all of these people, I wish him to give careful consideration to this possibility, that the finest organization that we can possibly have, looking toward our political security, our economic security, and every other kind of security that the heart of man desires, is an organization based on the pattern of the British commonwealth, in which there is complete unification of action, but in which there is no surrender of sovereignty whatsoever. The effectiveness of such an organization was amply demonstrated in world wars I and II, and the effectiveness of such an organization was demonstrated in 1932 when the representatives of the various members of the commonwealth met here in Ottawa and signed the Ottawa agreements as the means of offsetting the economic adversities that were swelling around us.

Why depart from a thing which has served us so satisfactorily on so many occasions during past years? Therefore, I say, let us do everything that can possibly be done to liberate the members of the British commonwealth so that they may be free to act together effectively, and then encourage them so to do. Then let us teach our people that there is hope in co-operating with the British commonwealth. The quotations which I gave this afternoon, if hon. members find interest in reading them, will be sufficient to show that our faith in the British commonwealth is based on very solid considerations.

We already had autonomous communities within the British commonwealth under the Balfour declaration of 1926. Every hon. member is familiar with what was said. There is no need of repeating it. But while we were completely autonomous communities and Canada, Australia, New Zealand and any other part of the commonwealth was equal in status to Britain, yet we were bound together by considerations of common allegiance to the crown. Not only will a common allegiance to the crown provide a means of binding us together. We can be bound together by such considerations as our common ancestry, which I mentioned this afternoon, and which constitutes one of the reasons for the talk I gave this afternoon. We realize that members of the British commonwealth are blood brothers, in a very real sense. We have a common heritage, which I hinted at this afternoon but barely touched upon. We have a common aim. We have common ideals. We have a common sense of the need for each other's aid in defence and in general economic security. We have a common destiny.

What more do men and nations need to impel them to act together in unity? If we bring about a united nations through the means of the British commonwealth we shall have everything that can possibly be offered by any other group of united nations, and we shall safeguard everything which our race has fought for through thousands of years. I say let us act. Let us British people not barter away our precious birthright, our hard-won heritage.

I should like to commend the Minister of Labour in this connection for the most excellent contribution he made to the debate on June 2, as it appears at page 3151 of *Hansard*. I do not know when I have heard a more genuinely British speech, and at the same time a more downright Canadian speech, a more genuinely common-sense speech than the one he delivered on that occasion. I wish it could be read into the record right here, in connection with what I have to say.

I suggest to the minister that as the days go by he take steps to restore "Rule Britannia" to be played on the ships of Canada—but not to displace "O Canada". I do not have to be any less an Albertan to be a Canadian. As a matter of fact, generally speaking, the more loyal and passionately devoted I am

to Alberta, the more loyal and passionately devoted I am to Canada; because they are one. We do not have to be any less devoted to Canada in order to be devoted to the commonwealth and the motherland, and to play "Rule Britannia". Let us play them both on the ships.

I suggest to the minister that from now on he resist every effort to have Canada or any other British country surrender any of its sovereignty to any agency outside the British commonwealth, or inside the commonwealth. Everyone says that we do not want in the empire centralized control. What astounds me is that we will turn from making a remark like that and favour centralized control with a lot of people with whom we have in common hardly anything whatsoever. Let us see that we do not do that kind of thing.

I suggest to the minister that he take every step he can take to disseminate knowledge and understanding among our armed forces as to the meaning of these great things we have, our ancestry, our flag, our emblems, our institutions, our ideals. All we have to do is to follow up the kind of study I was indicating this afternoon, and we shall get our armed services to understand that there is a great scriptural and prophetic background behind this British race. They will know then that there is a glorious destiny prophesied for this race, and that it is a wonderful and a joyful thing for all of us to co-operate to attain that noble destiny.

I suggest that all men in our time should be constantly on the alert lest they put forth unhallowed hands to desecrate sacred things.

Mr. Harkness: Mr. Chairman, in order to keep the record straight I should like to give a figure I placed on record a little while ago in connection with the number of men, according to General Student, who were dropped in the low countries in May of 1940. The way I had the figures made up I misread them. The figure of 4,500 includes the 500 dropped in Belgium. The total is 4,500.

Mr. Claxton: My information was received at a meeting of a very considerable group of staff officers. They had been in western Europe and in England at the time, and I took their information to be correct.

Mr. Harkness: The minister said before, I believe, that he had taken the figure of 2,200.

Mr. Claxton: Yes.

Mr. Harkness: I take it from that that the number of paratroopers we have trained has a strength of possibly just over that figure. Otherwise there would not be much point in taking that particular number.

I would ask the minister, instead of taking a figure like that, which practically no one except himself would understand, to give an exact figure. If the figure is 2,250 to 2,300, then I submit it is very much better to give that exact figure than to give one as he has given it which could mean all things to all men. To the general public it might mean tens of thousands. I suggest it is an extremely bad way to give comparisons.

I should like next to refer to a question I asked the minister yesterday in connection with the percentage of officers and men employed in administrative duties, desk jobs and the like, as compared with the number in the fighting units. The minister partially answered the question this morning. He said that some time ago—and I did not get the exact date—there were 9·1 per cent of personnel on headquarters staff, and that on April 1 of this year the figure was 8·7 per cent. In other words he indicated that there had been a reduction in the percentage of officers and men in headquarters staff.

That is all to the good. It is carrying out one of the recommendations in the Mainguy report, that the number of officers employed in these desk jobs should be reduced and replaced by civilian personnel so that service personnel can get on with the fighting job. The minister then said that all the rest were in units. That, again, is misleading. To the ordinary person in the House of Commons and outside the house it would mean that on April 1, except for that 8·7 per cent, all the other personnel were in units ready to fight. That is absolutely wrong. What I asked for was the number of fighting units. These personnel may have some nominal units to which they are attached, but the vast majority of them are not at all in units which are ready to fight. They are not in fighting units. A large number of them would be in the army service corps, moving and handling food and supplies, and all sorts of other materials. A large number would be ordnance corps, looking after stores in various ordnance depots across the country. A large number of them would be employed in repairing vehicles, and occupations of that kind.

These units I know are all officially designated as combatant units. During the last war the troops in them were, to some extent, trained to fight. But actually they were not fighting units; their job was not that of fighting, and they would be required to fight only when their backs were to the wall and every available man would have to be used.

Under normal circumstances those troops do not fight at all, but are engaged in performing these other very essential jobs. I

think as a matter of fact that during the last war it was estimated that, for every man fighting, there were ten men in various rear areas who were bringing in supplies, and the like. True, this is most essential work; but the personnel so engaged are not in fighting units. To say that all personnel except that 8·7 per cent are in units leaves, I say, a wrong impression, and it gives the general public the idea that over 90 per cent of our fighting defence forces are in units ready to go ahead and fight tomorrow, or in two or three days' time. Therefore, taking the figure of 50,000 in the permanent force, which the minister has given, this would mean that we could count on 45,000 who could be thrown into battle in three or four days' time.

That is simply not true, and the minister knows it. I do not think it is proper to give figures in this way, when placing the situation before the general public.

I should like to ask the minister what percentage of those in the army are actually in fighting units, in other words, in the mobile brigade group. Also what percentage of those in the air force are in operative squadrons, either fighter or transport. The minister has given this information with regard to the navy and that is why I think he should give it for the army and air force. He said that 45·1 per cent—

Mr. Claxton: 41·5 per cent, I beg your pardon.

Mr. Harkness: —that 41·5 per cent of the navy personnel were in ships in commission. That is the question I asked and that is the answer I wanted, but we should have the information for all three services.

Mr. Claxton: It is not possible to give it for the army or air force because of the nature of their operations. The hon. gentleman knows that there are two interceptor squadrons fully up to strength having an establishment of some hundreds, and then there are the transport squadrons. But their work is so intimately related with that of the ground crew and the other branches of activity of the air force that it would be completely misleading again to give any such figure. Speaking from recollection, we have in the air force about 1,600 qualified air crew.

With regard to the army, the hon. member says that the figures I gave were misleading. I gave what I understood to be the figures he wanted, in the form in which he wanted them.

Mr. Harkness: If you look at what I said I think you will find I referred to fighting units.

[Mr. Harkness.]

Mr. Claxton: I did not get the impression that "fighting" had been used. Those who make up the notes for me and who note these things carefully made them up without any special instructions as referring to other units. The same thing applies in the case of the army. The hon. gentleman has just described the situation where you have headquarters formation, the Royal Canadian Armoured Corps, the Royal Canadian Artillery, the Royal Canadian Engineers, the Royal Canadian Signallers, the Army Service Corps, the Army Medical Corps and the ordnance corps; there are 15 corps in the army but many of them are not fighting units in the hon. member's sense of the term. But they all contribute to the effective work of the army and it is quite impossible to sort out who is "fighting" in the sense apparently implied by the hon. member.

He knows that the brigade group has an establishment of something in excess of 5,000, and I have told him that it is approximately 80 per cent up to strength. The formation with regard to that was the one bit of information to which I referred before and for which he had asked in the house. On the advice of my advisers I told him that it was not in the public interest to give information about the actual strength and the state of training of individual formations, particularly of the brigade group, because that group represented the means we have of defending ourselves against such attacks as might be made suddenly in the way of diversionary or other attacks. It was the piece of information which a potential aggressor would most want to have. It is the one piece of information which on the advice of my advisers I said that I felt we should not give, and I referred to that yesterday.

With regard to the army, it is difficult to differentiate between the active and reserve forces. As the hon. member knows, a considerable proportion of the active force devotes a large part of its time to reserve force training and activities. A large part of all the training staff in the active force spends its time training the reserve force and yet it appears exclusively in the active force lists and votes. It really is not possible to sort out the functions of the armed forces in the way the hon. member mentions.

Mr. Harkness: I think the minister understood quite well what I wanted when I asked for this information and I think he has sorted it out fairly well as far as the army is concerned. I want to get the number of people in the permanent force who are trained and in position to fight if necessary. The only people who are in effective fighting units, if they are effective, are those in the brigade

group. The minister has just told us that at the present time the brigade group has an authorized strength of 5,000.

Mr. Claxton: Over 5,000, I said.

Mr. Harkness: The minister said also that it is 80 per cent up to strength. That means there are some 4,000 men in the brigade group. Those are the people we have to depend on if there is such a thing as a diversionary raid. That is the sort of figure I have been trying to get for the last two or three years. In the course of saying that he could not give it, the minister gives it. This is the first time it has really been given. Of course all those men would not be used in combat, but the figure is close enough to let us know fairly well where we stand.

This leads up to another question which I asked the minister yesterday and to which I did not get an answer that really covered the matter. I was referring to section 6 of our defence policy which was enunciated by the minister on November 11, 1949, and which reads:

> Since an attack on Canada could only be made by air or by sea, emphasis must be placed on defence forces; by air—radar stations and communications, backed by interceptors and a relatively small mobile brigade group;

Yesterday I asked the minister if we had those radar stations and communications, backed by interceptors and a brigade group capable of doing the task which he himself has said was necessary in preventing diversionary raids and things of that sort. Although the minister gave a considerable answer in connection with radar stations and communications, although he told us about the two interceptor squadrons which are in being and something about the other five that are to come into being, as far as the brigade group is concerned he really did not say anything.

In dealing with Exercise Sweetbriar in March the minister stated that our defending forces should be able to prevent an attacker leapfrogging from airport to airport. I asked whether or not we have sufficient interceptors and trained men in the brigade group to prevent an enemy leapfrogging from airfield to airfield, but that is another question to which I have not had an answer.

The minister has made quite a point that he has answered every question that has been asked, but he answers a lot of them, such as the two or three I have mentioned, in a way which does not constitute an answer at all. The answer does not give you the information you want and you have to keep coming back and asking several more questions to get what you are after. This is another example of that fact. I wonder if the minister could make a statement with reference to the ability of the two interceptor squadrons, the transport planes and the brigade group of about 4,000 men that we have at the present time to prevent an enemy from leapfrogging from airfield to airfield, which he has stated is a necessary thing for us to be able to do.

Mr. Claxton: The defence of our northwest must be considered in conjunction with the defence of Alaska. The experience of Exercise Sweetbriar was, I believe, that with the forces we have and the forces planned by the United States for Alaska, in the opinion of my advisers our forces are sufficiently great to deal with an attack on the scale that might be anticipated as part of a total war.

Mr. Harkness: I wonder if the minister means that they would be sufficient to deal with an attack along the Alaska highway. If there happened to be an attack at the same time on Gander, Churchill or some place else, have we sufficient forces to deal with all of them?

Mr. Claxton: If the hon. member wants to go on and name a third, fourth, fifth and sixth, of course I cannot follow him because this is a matter of opinion. War is a very uncertain business, and he knows that just as well as anyone else in the house. One also has to be cautious about expressing views as to the safety or security of any place at any time. I have avoided doing that, and I will continue to do so because it is not realistic to do it. All I can say is that on the basis of advice from the people with whom I deal we think a sufficiently large part of the defence dollar is being spent on immediate local self-defence either in the navy, army or air force. Of course we are not satisfied with the condition, and we are going to improve it steadily as a part of the program. Nevertheless, having regard to the amount of $425 million made available today, our view is that we spend a sufficient proportion in our own local defence so far as money, personnel and equipment are concerned.

Mr. Harkness: Mr. Chairman, I did not mention anything about a fourth, fifth or sixth. The point I am trying to get at—and I think the minister knows it quite well—is whether we have sufficient forces. He has said that in his opinion and that of his advisers we have sufficient troops in conjunction with the United States, which is established in Alaska, to defend the Alaska highway. I merely asked whether we have sufficient troops in addition thereto to perform any other task, or is that the only thing we could do? He says it is not realistic

to talk that way. I think it is extremely unrealistic to talk as though the only place in Canada that might be attacked is the Alaska highway. I think we are entitled to know whether it would take our entire fighting forces, so far as the army and air force are concerned, the interceptors, transports and the brigade group, to deal with one attack, and whether that would leave us completely bare so far as any other attack is concerned.

Mr. Claxton: No, it would not at all. The hon. member must appreciate that in the case of an attack from the northeast—and that possibility certainly must not be excluded—there are not only Canadian but also United States interests to defend. The United States has rights in respect of bases in Newfoundland and has forces there which she would use in her defence. Furthermore, I did not say it would be unrealistic to consider a first, second, third and fourth attack. What I suggested was that it would be unrealistic for me to express views with any certainty on such an uncertain thing as war, particularly global war today. All I can do is to express an opinion as to whether we are spending the defence dollar in the best possible way. Further and finally on that point, not only have we got a brigade group which would be instantly available but we also have the officers and men of the reserve force units which are in very good condition indeed. The unit to which the hon. member for Royal referred this morning, the Princess Louise Hussars, is virtually up to strength in officers and men. It has the equipment and a large number of qualified N.C.O.'s and tradesmen. It is a unit that would be quickly effective to meet any emergency. There are other units in a similar state of preparedness across Canada which could be used to back up the active forces in meeting any emergency that might arise.

Mr. Drew: Within what time?

Mr. Claxton: Varying times, depending on the unit.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed the following bills, to which the concurrence of this house is desired: Bill No. 268 (letter W-8 of the Senate) intituled an Act to amend the Foreign Insurance Companies Act, 1932; and Bill No. 269 (letter X-8 of the Senate) intituled an Act to amend the Canadian and British Insurance Companies Act, 1932.

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, it was hoped to have these bills on the order paper today. I have spoken to the leaders of the opposition parties and asked if these bills can be given first reading today. If that can be done, on Monday they will be referred, as requested by the hon. member for Greenwood (Mr. Macdonnell), to the standing committee on banking and commerce for detailed investigation.

FOREIGN INSURANCE COMPANIES ACT

AMENDMENTS TO CHAPTER 47, STATUTES OF 1932

Hon. Alphonse Fournier (for the Minister of Finance) moved the first reading of Bill No. 268 (from the Senate) to amend the Foreign Insurance Companies Act, 1932.

Motion agreed to and bill read the first time.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENDMENT OF CHAPTER 54, STATUTES OF

Hon. Alphonse Fournier (for the Minister of Finance) moved the first reading of Bill No. 269 (from the Senate) to amend the Canadian and British Insurance Companies Act, 1932.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—ENFORCEMENT REGULATIONS

The house resumed, from Tuesday, May 23, consideration of the motion of Mr. Gillis for second reading of Bill No. 6, to amend the Industrial Relations and Disputes Investigation Act (enforcement).

Hon. Humphrey Mitchell (Minister of Labour): I believe I adjourned the debate on this motion, Mr. Speaker. I am opposed to this bill for the same reason as I was opposed to the bill introduced by the member for York South (Mr. Noseworthy). I want to make this observation, if I may. There is a wrong conception here of the responsibility of the members on this board. They are not free agents, nor do they represent particular interests. They bring their

talents to the board, and once they are members of the board they are servants of the state carrying out the will of this parliament. I have checked this with the leaders of the British trade union movement, and other countries that follow our form of government. I believe the hon. member, upon reflection, will see that the present machinery is in keeping with the spirit of what he suggests. I say that not critically, but analytically. I must take the same stand I took on the other bill, that this is not a court but a labour relations board.

Mr. Paul E. Cote (Verdun-La Salle): Mr. Speaker, before the motion is put to the house I should like to register my own opposition to this bill. I consider it objectionable for the reasons which have already been so well explained by the minister on other occasions. My own belief is that if this bill were to carry it would strike at the root of the Industrial Relations and Disputes Investigation Act which, as the house knows, is predicated upon the conciliation of industrial disputes, in addition to its other functions of course.

Since 1944 labour relations have been satisfactorily administered under the wartime labour relations regulations, and since the first of September, 1948, under the present act. Under both the act and the regulations the function of the Minister of Labour was to strive towards the bringing together of management and labour. This has been working satisfactorily. From every quarter in this house, not to speak of high authorities in the ranks of both labour and management inside and outside this country, the achievements of the Department of Labour in the administration of the regulations and the act have been highly praised. I do not think we should hurriedly change the spirit of that act, which has really been the secret of the success which has been achieved.

The act was adopted by this house after thorough consideration by the standing committee on industrial relations during the course of two sessions. I feel therefore that it is wrong to try to change one of the basic features of the act without giving that same committee an opportunity of going over the act once more. After a year and a half of operation, I submit it is premature to consider any such radical change. As a matter of fact not very many complaints have been placed before the minister requesting leave to prosecute. Many of those requests did not result in the issuance of any such consent, because the dispute which was the cause of the request was settled. In only a few exceptional cases was there any occasion for the minister to give his consent to prosecute. Under those circumstances, and without rehashing the reasons that have been given for objecting to the passage of this bill, I believe it is sufficient for me to invite this house to vote against the bill.

Mr. J. H. Harris (Danforth): If I may be privileged, sir, I should like to make one or two observations about this bill. First, sir, I quite realize that those who are charged with the responsibility of labour relations in the province of Ontario are so anxious, so happy, to be able to help labour relations in every possible way. But, sir, as one of the young members of this house, in common with you, I may say that we have seen rapid progress made in labour legislation. I think, sir, that today we have reached the stage where we ought to stop, look and ponder on what has transpired with regard to our labour relations, and be careful not to get too far ahead of ourselves in this country. We should do so for this reason; that the economy of this country, compared with the economy of the rest of civilization, is still in advance of all countries from the standpoint of labour relations. Perhaps, Mr. Speaker, we could inveigle our friend, or persuade him, into letting this particular bill ride over for another year. We are into the hot weather now and we shall be cooler next January or February when the next session comes along. I would ask the hon. member who introduced this bill to give us, please, a chance to check and double check with regard to how far we are going in this country of ours in the matter of labour legislation —yes, in the matter of all kinds of legislation, not just labour legislation alone. In common with other hon. members in this house, I am a labourer in the vineyard, and we are doing the best we can. I seriously ask, Mr. Speaker, that we do not make haste so fast. Let us make haste slowly so that when that haste is made on labour legislation, the legislation will be of a kind that will stick and of a kind that will, in the final analysis, be of great benefit to the major portion of our population, namely, those who produce.

I should like to see this particular bill stand over until another session when we can give it more thought. Do not let us get ahead too fast with this sort of thing.

Mr. A. L. Smith (Calgary West): I am not going to take more than five minutes, Mr. Speaker. The hon. member for Cape Breton South (Mr. Gillis) will have plenty of time in which to close the debate. I speak now only for a moment in order to confirm the principle which I supported and advocated in another bill a short time ago, that is, that in labour

matters, any legislation that has assisted labour in every jurisdiction should be allowed at least a trial and that our courts should be permitted to exercise the jurisdiction granted them by the sections which it is sought to repeal or alter, in order that we may find out how it works. If it fails, then perhaps there might be the necessity for some such legislation as is sought to be passed in this particular bill.

I am anxious to make that statement in order that the hon. member for Cape Breton South will have ample opportunity to answer it; because, strange as it may seem, we are rather friendly and we have had some discussions about this particular thing; and I know that he is anxious to refute the principle which I advocate.

I am going to say something more, still watching my five minutes, Mr. Speaker, and it is this. Something happened the other day which I think is the greatest advance in industrial relations that has happened on this continent in all the years that I can remember. That is the settlement within the past week or ten days of the General Motors strike in the United States. The point I make there is this. It was a five-year settlement. Business could proceed with the knowledge that that problem was settled for that time. I make no comment on whether that settlement was good for labour or good for management. That is something on which I do not express any opinion; but having regard to that five-year basis, which is the longest time in recent years—anyway within my memory—for which a contract of that kind has been made, I say that is a great advance in the relations between management and labour.

I say this also. No one will get any money at all from the operation of a business unless he gets it from the profit dollar which the business makes. Shareholders will not get anything and labour will not get anything unless they get it from that source; because no one is foolish enough to carry on a business for any length of time to the point where he may lose his capital investment. He will adopt some other method of seeking something from the wreck. I think that settlement is a splendid affirmation, both by the management of General Motors and by Walter Reuther and labour. I think it is the first real evidence of a long view being taken by both capital and labour; and I use the word "capital" advisedly because I believe in it and I know of no better name to give it. I think they have accomplished a great deal because, as we know, Mr. Speaker, in numbers this labour organization is certainly the largest one we have on the North American continent. That that difficulty was resolved on a basis of conciliation is, I think, eloquent proof of the fact that both parties, the shareholders who will be seeking dividends and the labourers who will be seeking wages, have shown, by that positive act, an appreciation of the fact that the business must succeed and make a profit in order that either element or either party to the difficulty which they had may receive anything. We know that they have agreed on an advancing scale of wages year by year to the end of that contract. That is one of the finest expressions that I know of of confidence in business and in our present system of carrying on business.

I find that I have gone one minute beyond the five about which I spoke to you, Mr. Speaker. May I repeat this particularly to my hon. friend who is the sponsor of this bill. May I remind him of the co-operation that we had when this bill was passed after long, interesting and well-attended sessions of a committee of this house; and may I suggest to him that perhaps he should not be in too great a hurry to alter what we did at that time. Irrespective of that, I am one of those who are opposed to taking jurisdiction from the courts, as this does, until we have some proof that the courts have failed in their duty in respect to matters of this kind. I do not want to be technical, but I point out to him that he probably should have provided in his amendment for something which apparently was overlooked, namely, an appeal of some kind from the summary jurisdiction which he seeks to have exercised by the board.

It is true his amendment says that, the labour board having found so and so, you simply place that finding before a magistrate. He calls it a magistrate's court. I may say that in law I do not know that name for a court. It is a court of summary jurisdiction. The bill provides that having placed the finding of the board before that court, then the court may make an order by way of penalty, having regard to what the statute provides, for a breach of the provision which the labour board found the individual or the corporation guilty of.

I am very much afraid that if we were to pass his amendment in its present form there would be nowhere else to go after the board had made its finding, right or wrong. I am not basing my opposition on that. I am merely pointing that out to the hon. member. He may have a complete answer, because I have discovered that in this House of Commons he is one of the practical lawyers, and he certainly has appeared before boards often enough to know. Perhaps the word I should have used is "advocate." I know he is an excellent advocate; but I point out that technical difficulty

to him and ask him in closing the debate to point out whether I am wrong, as it may well be that I am.

I do know that in all matters of summary conviction before summary courts, which are usually courts presided over by a justice of the peace, two justices of the peace or a stipendiary magistrate—that is a big word, sir, but I do not know any other to use; that is what they call them—in every line of endeavour there is always an appeal to a higher authority. I know I am right about that. It may be I am wrong in saying that in this particular instance he has not provided a further opportunity for the accused and convicted person to seek redress.

I have gone beyond my five minutes, but I am sure I have left the hon. member plenty of time to answer the very short observations I have made.

Mr. Speaker: I must inform the house that if the hon. member for Cape Breton South speaks now he will close the debate.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I might say nothing at this time, have the house take a vote and have the bill voted down. If there were any danger of its carrying, the bill would likely be talked out; but I am going to take a little time to do something that I have not done to date, namely, explain what I mean by this bill.

When the industrial relations committee discussed the present national labour code I went into this matter very thoroughly before the committee, and the committee did not see its way clear to write this provision into the act.

Just before taking his seat the hon. member for Calgary West (Mr. Smith) made the observation that perhaps I was in a hurry about this thing. Well, a couple of years have elapsed since the drafting of the code; and if haste is a crime in the matter of amending the code there were many people on the other side of the house in great haste to amend the code as provided by the labour relations committee. We wrote into the labour relations code the check-off clause. When it came before this house, and before the house had a chance to discuss the matters that were written into the code by the committee, an amendment was made in this house that took out of the code the provision that the committee had written in.

If I am exhibiting undue haste in endeavouring to have this clause written in, the precedent was set by the government, and I have waited considerably longer to press a matter that I had strongly emphasized in the committee.

At this time I just want to make a few observations on what has been said, namely, someone else's interpretation of what the amendment means. I gave this matter a great deal of consideration. As the hon. member for Calgary West has indicated, I have been before many conciliation boards in the last thirty years. I am not recommending something here that I do not know from practical experience is going to be of great benefit to the future of labour relations in this country.

A few nights ago the hon. member for Yorkton (Mr. Stewart) waved his arms but said very little as to the bill itself. He made just the old line political attack on the C.C.F. What did he say? You could pick this out of the ravings in the time that he occupied in discussion. He said that labour in this country did not want this bill, that they knew nothing about it. I want to say that the bill was carefully drafted with the assistance of the law officer of the crown who is provided for that purpose. From the legal standpoint I think it meets the requirements. But before we did anything to this bill we called in representatives of the Canadian Congress of Labour. We sat down and discussed this bill clause by clause, and without any reservation they endorsed the bill and said it would be a good thing to have written into the code.

In addition to being an excellent lawyer the hon. member for Calgary West is also a labour advocate of long standing. He has been legal adviser to the united mine workers, district 18, over a good many years. While he sticks religiously to his law as defined by the Criminal Code of Canada, he slips a lot in his philosophy with regard to the labour movement, and indicates that he has not followed as closely as he should the development of provincial law in the matter of labour relations in this country.

We are not asking for anything new. Hon. members who opposed this bill indicate that they have not followed the matter of provincial law very closely. We are a long way behind the provinces on this particular point, because in Canada today every province has a labour relations act, and a labour relations board on a provincial scale. It is equivalent to the national labour code, but more than that it covers many more classifications of labour.

Mr. Mitchell: Will my hon. friend give this parliament credit for setting the example?

Mr. Gillis: You are away behind; you should have set this example long ago. But as it is now we are following the provinces, and we should not be doing that. In this matter of enforcing the act, every labour

relations board in this country has the right to do what we are trying to enable the national labour board to do here. And if there is any doubt about that, then my hon. friend can just look back to what happened a couple of years ago. At that time the privy council rendered a decision in this matter, as to whether provincial boards had the right to enforce that legislation. That was in connection with the John East Company of Regina against the labour relations board of Saskatchewan. It was decided by the Supreme Court of Canada that they did not have jurisdiction to enforce their legislation. Then the case went to England. The then provincial minister of labour, the Hon. L. D. Currie, who at the present time is a judge of the supreme court of Nova Scotia, attended at the hearing, and backed the Saskatchewan labour relations board. He is a progressive man in that field, and he said that an adverse decision against the Saskatchewan board would mean that it was taking power from the other boards across the country which had been exercising those powers for some time.

Then my hon. friend goes back to the question of *stare decisis* which I have heard them talk so much about: the decision of the privy council stands. That decision has been made, and it has given jurisdiction to the provincial boards to do this very thing.

My hon. friend is a Conservative in politics. Surely he is not going to take a position in the house against what a Conservative government in Ontario has done on this very question. They were functioning under the national code for some time.

Mr. Smith (Calgary West): I will accept *stare decisis* but not "Clarie" decisis.

Mr. Gillis: The parliamentary assistant said a moment ago that this has not been tried. "Just give it a chance. We have not had any disputes recently in this regard or in the provinces. Things are going along pretty well." Well, he had some pretty bad disputes under the old national code, as it was. I am sure he will not say that the Canadian seamen's dispute was not a bad one. I am reasonably sure he will not say that the strike of automotive workers at Windsor a couple of years ago was not a bad one. I am sure he will not say that the mine workers' strike in Nova Scotia a few years ago, which lasted five months, was not a bad one. All those strikes at that time came under the supervision of the Department of Labour here in Ottawa.

Since Ontario has set up its own act, and has benefited by the difficulties of the past in regard to labour relations and authority in that field, they have written a code of their own. Since they wrote that code of their own they have provided machinery that gives the necessary authority to the minister of labour, provincially, to get in there, and, through his power, to prevent strikes.

That is what I am aiming at here. I do not suppose there is anyone in the House of Commons who went through more strikes when we had no legislation. I take a back seat to no one in this country today in my desire to prevent strikes, because strikes are like wars: no one wins; everyone loses.

I want to see legislation in this country that not only gives responsibility to bodies like the national labour board or provincial labour boards, but I want to see such bodies having the necessary authority to carry out their functions. The national board has not that authority at this time.

For the benefit of the hon. member for Calgary West (Mr. Smith), who is a Conservative in politics, and who, I am sure, will not disagree with the Conservative government of Ontario, let me place on record a short synopsis of the provincial statute on this very point of the authority to prosecute:

> The Ontario labour relations board will have power to decide if a conciliation board is required in a dispute and to authorize prosecutions for unfair labour practices. These powers formerly were held by the minister.

That is exactly the position the national labour relations board and the minister are in today. The minister now has supreme authority in matters of prosecution. Regardless of what employers or employees or the national labour relations board may think in the matter of a prosecution, they must get permission from the Minister of Labour. I say that is unfair to the minister, and places in his hands dictatorial powers he should not have. Personally, I would not want it.

Last Sunday night I listened to a reporter from the Press Gallery give a news round-up from Ottawa. I would advise him to get in touch with somebody, or to get a little book on labour relations and the functions of national and provincial boards, as well as conciliation boards. He broadcast at some length on this particular point, and said, "Oh, that is asking for judicial power for every conciliation board across this country." For his benefit let me say that this has nothing to do with conciliation boards. If he was not any better informed in respect to the rest of his subjects that night than he was on this one, I would advise him to get another job, rather than attempt to interpret the news to the Canadian people.

Mr. Knowles: What were his other subjects?

Mr. Gillis: Markets, international affairs, and that kind of thing. But if he did not understand something that has been discussed in the House of Commons a good many times, and discussed in a committee I have seen him attend—and I refer to the labour relations committee—then I say we cannot accept his advice very seriously on such matters as marketing, international affairs and so on.

This particular bill has nothing to do with conciliation boards. The parliamentary assistant said that this question has never been brought up since the adoption of the code. The matter has been tested. He could check back and find the case of the Hull Transportation Commission *v.* the Canadian Congress of Labour. That particular matter was ironed out before the board and finally went to a magistrate in Hull. The Minister of Labour sent it there. I talked with some of the people who appeared before that magistrate, and they told me that the employer went in and stated his side of the case, that they came in and stated their side, and that the magistrate, trained to administer in respect of decisions in criminal law, sat to hear the case.

Industrial relations are human relations. There is no prosecution or defence of a criminal in a matter of this kind; rather there is a duty to deal with the technicalities of industry and the mechanics of unionism. The magistrate must have some knowledge of agreements, contracts and procedure. But the magistrate does not have that knowledge, and after sitting around for some time and spending a large sum of money the case is dropped. I am not speaking disparagingly about the magistrate in question, because he is all right in his own field.

All we are asking in this instance is to give the labour relations board something by way of status. When parties to a dispute come before them they hear all the evidence. This is their act, and they know the mechanics of it. They know who is in the illegal position when they assess the evidence. All we are asking the house to do is not to give them judicial power. They take evidence, just as the income tax appeal board does, and the matter is then placed in the hands of the magistrate. However, the evidence is properly placed before him and assessed, and in this way we have an impartial body, such as the board, presenting a case on its merits. If they are turned loose today, after going through the national board, the only alternative for the worker is to strike. This idea of sending union representatives to get permission from the minister to prosecute will not work. Today the unions are dealing with large organizations with lots of money and the cost of carrying on litigation cannot be borne by the average union. They can drag you through the courts until you are bankrupt and that is the end of your organization. In the meantime you may have delayed the settlement of a dispute that finally culminates in a strike. All this while your labour relations board is sitting idly by without authority to do anything.

We contend that this is a good time to test this when the national labour relations board has jurisdiction over so few workers. The national harbours board employees, the C.B.C. employees, the railroad employees and the employees of certain shipping companies in interprovincial trade come under their jurisdiction, but that is all. We could go on and by trial and error find out if it works.

The provincial boards have the power to do this and it has been found that the employer is not as tough as he used to be. He knows that if he forces a matter into the courts he will be fighting the provincial government. Apparently the government has little respect for the judgment of the people they appoint on this board. I say that instead of stepping up prosecutions, this legislation would cut them by 75 per cent. Instead of promoting strikes, it would prevent them.

Mr. Mitchell: If you cut them down 75 per cent there would not be any prosecutions.

Mr. Gillis: You have had quite a few and you would have a lot more if litigation were not so costly.

Mr. Mitchell: I do not want to put the unions into the courts, as they are in the United States.

Mr. Gillis: I am trying to take them out of the courts. You had that transportation matter not so long ago.

Mr. Mitchell: That is a matter of opinion.

Mr. Gillis: It is not a matter of opinion, it is a matter of record. The idea has been built up in the minds of hon. members that this is something new, but that is not correct. Every provincial labour relations board is doing this. As the Minister of Labour (Mr. Mitchell) said a moment ago, we should be leading the provinces. As it stands now, we are following them. I am safe in saying that if the labour relations board had this authority you would not have had that mess in connection with the seamen that disrupted the whole industry; the board could have stopped it.

Mr. Mitchell: Do not bring up that old chestnut.

Mr. Gillis: Certainly I will bring it up.

Mr. Mitchell: You are not kidding me.

Mr. Gillis: That dragged along because no one had any authority. I am not speaking in favour of the communists at all. You had a man like Mr. Brockington write a report about it. I am not advocating support of the communists.

Mr. Mitchell: I agree that the hon. member is not advocating support of the communists.

Mr. Gillis: At that time the seamen were made up of hundreds of good Canadian citizens who had done a wonderful job during the war. The report that Mr. Brockington wrote against the companies left much to be desired.

Mr. Mitchell: My hon. friend knows that the communists feed you up like a turkey at Christmastime and then slit your neck.

Mr. Gillis: They will even borrow your handkerchief to wipe the blood off their knife after they are through with you. I am reasonably sure that if our labour relations board had had the necessary authority they would have stopped that whole thing. I realize that the Minister of Labour is only one ordinary human being and he has a large department to administer with authority over a large country. I do not expect him to keep his finger on everything. What we are trying to do is to set up machinery to help him.

It is not a new thing for me to be advocating this sort of legislation. I remember the first time I went before a provincial government in connection with mothers' allowances—I was almost arrested. Yet we have all those things today. This is just another step forward. The provincial governments are getting ahead of us with this kind of thing. I have a little pride in our national forum and I want to see us pass legislation that the provinces will follow. In this particular matter they are ahead of us.

I do not want to talk out this matter because I should like to have a vote although I know how it will go. I do not want to leave the impression in the minds of hon. members or of members of the press gallery that we are taking a step in the dark because this legislation has been tried out already and it is working. It will not be taking anything away from the courts because it places the matter of assessing evidence and imposing penalties as contained in the act—

Mr. Smith (Calgary West): The courts would do that.

Mr. Gillis: —squarely in the hands of the magistrate. That is exactly the same thing the income tax department is doing.

[Mr. Gillis.]

Mr. Smith (Calgary West): Do not talk to me about that.

Mr. Gillis: The hon. member for Calgary West says, "do not talk to me about that".

Mr. Smith (Calgary West): That is a czarist outfit.

Mr. Gillis: The income tax people may from your files gather evidence; they institute prosecutions and they take these matters into the courts.

Mr. Cote (Verdun-La Salle): My hon. friend is trying to establish an analogy between the machinery set up for the administration of the Income Tax Act, on the one hand, and the machinery for the administration of this labour act. Does the hon. member consider that the collection of taxes should be compared with the conciliation of disputes and the administration of human relations between employers and employees?

Mr. Gillis: I am merely making a comparison. The hon. member for Calgary West says that there is no provision for appeal, but there is a provision in the bill that the board may appeal the decision or the judgment of the magistrate, and the employer can do the same thing.

Mr. Smith (Calgary West): The board may.

Mr. Gillis: There is no appeal from the decision of compensation boards and they deal with human beings.

Mr. Smith (Calgary West): Why not give the workman the right to appeal when you are giving the board the right to appeal?

Mr. Gillis: We are.

Mr. Smith (Calgary West): According to the section you read you are not.

Mr. Gillis: A workman may appeal if he wants to and so may the employer.

Mr. Smith (Calgary West): Nonsense.

Mr. Gillis: There is nothing new in this legislation. It is simply following precedents already established. The bill has been drafted very carefully and it conforms to the law in every way. It is merely giving to those who administer the act the same status and authority now given to the provincial boards.

The house divided on the motion (Mr. Gillis) which was negatived on the following division:

YEAS

Messrs:

Argue	Jones
Bryce	Knight
Byrne	Knowles
Gillis	Noseworthy
Herridge	Stewart (Winnipeg North)
Higgins	Wright--12.

NAYS

Messrs:

Adamson	Kirk (Digby-Yarmouth)
Anderson	Lafontaine
Applewhaite	Laing
Ashbourne	Larson
Bater	Lennard
Beaudoin	Low
Blackmore	Macdonald (Edmonton
Blanchette	East)
Blue	MacDougall
Boisvert	MacKenzie
Boucher	MacLean (Cape Breton
Bourget	North and Victoria)
Bradette	MacNaught
Bradley	McIlraith
Brisson	McIvor
Brooks	McLean (Huron-Perth)
Brown (Essex West)	McLure
Browne (St. John's West)	Major
Bruneau	Maltais
Campney	Matthews
Cardiff	Maybank
Carter	Mayhew
Catherwood	Mott
Charlton	Murphy
Claxton	Murray (Oxford)
Cote (Verdun-La Salle)	Murray (Cariboo)
Darroch	Mutch
Decore	Proudfoot
Dickey	Prudham
Douglas	Richard (Ottawa East)
Drew	Rinfret
Fair	Rooney
Fairclough, Mrs.	Ross (Souris)
Ferrie	St. Laurent
Fournier (Hull)	Simmons
Fulford	Sinclair
Gauthier (Lake St. John)	Sinnott
Gauthier (Lapointe)	Smith (Calgary West)
Gibson	Smith (Queens-
Gosselin	Shelburne)
Gourd (Chapleau)	Smith (Moose Mountain)
Graydon	Stick
Harkness	Studer
Harris (Danforth)	Tremblay
Harris (Grey-Bruce)	Ward
Harrison	Warren
Helme	Weaver
Hetland	Weir
Hodgson	Welbourn
Huffman	White (Middlesex East)
Jeffery	Whiteside
Jutras	Winters
Kent	Wood—104.
Kickham	

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted against the motion.

Mr. Cruickshank: I was paired with the hon. member for Medicine Hat (Mr. Wylie). Had I voted I would have voted against the motion.

Mr. Speaker: The hour for private and public bills having expired, the house will resume the business which was interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

Mr. Drew: Mr. Chairman, today the house has heard a number of questions asked and a number of answers given; and there has been noticeable a certain measure of impatience in certain quarters that still further questions are being asked. On a number of occasions the minister has repeated that we have more complete information than similar elective bodies elsewhere, but the repetition of that statement does not make it correct. If anyone wants to know how correct or otherwise that statement is, it is only necessary to read any one of the great metropolitan dailies of the United States. One can then see the amount of information that is given in congress in regard to every detail of national defence, except that which comes under the real veil of secrecy such as the details of the development of the hydrogen bomb; the development of atomic energy, and even that is now subject to some limitations; the development of secret weapons that have not been announced. There is a discussion on those that are generally known, although they are still described by the use of the particular term "secret weapons".

Moreover, when we are told we have more information than is available at Westminster, that again is simply not so. At Westminster the estimates go before a subcommittee on estimates, and the members who make up that committee have the right to call and do call—within this last year they have, as on other occasions—upon senior staff officers of the different branches of the service. These men are questioned about the details connected with those military services. It was only in the late afternoon that some measure of information was given which had been sought all day. Over and over again an attempt had been made, not only today but earlier, to get some idea of the real breakdown of the figure that is given for the active army. We are told that there are in excess of 40,000 members of the active army. We are told of their high state of training. In so far as their training goes, with whatever limitations there are upon that training, it is true that they are keen; that they are devoting themselves to that training; and that they give an example on parade which might well be accepted anywhere as a standard of what military appearance should be. Only in t

late afternoon we learned that of those 40,000 the hitting force, and it is the hitting force that counts, is in the neighbourhood of 4,000 in the brigade group. We were given that information indirectly, because it was stated that the brigade group was about 80 per cent of strength, and we know the establishment of a brigade group. Therefore, subject to whatever additional figures may be added by the minister, the hitting force that we have available through our land army is something of the order of 4,000 men.

Having said that, it is appropriate to point out that the staff, the officer body, and the men generally of the active army are called upon to train the reserve army. Therefore the relationship of the staff, and of non-combatant to combatant, could not be expected to bear the same proportions as a group of military formations in the field. Nevertheless there must surely be some reason for concern, and there must be a recognition of the lack of balance, when out of some 40,000 our apparent hitting force is in the neighbourhood of 4,000. I say, Mr. Chairman, it is our apparent hitting force. It may be greater than that, and if it is we are still waiting to be told what the figures are. I hope we will not again in this chamber hear a statement that this information might help Russia. Surely we are talking in terms of reality, and not in terms of children's make-believe. We are talking in terms of the threat of a military power that has some 160 fully armed divisions in the field, and that has a potential of some 600 divisions that could be quickly brought into military service. It is that potential to which the free nations of the world are now directing their attention, and which they are seeking to restrain by their combined strength.

The only people who will be misled or the only people who will be in any way fooled by hiding information are the people of Canada who should know exactly what the facts are and who are prepared to meet those facts. The people of this country will respond to a challenge. The people of this country, if they are told of the need really to prepare ourselves for the test that lies ahead, will undoubtedly meet whatever reasonable demand is made upon them or any call for sacrifice. But it would be criminal folly for any Canadian to forget what happened in 1914 and in 1939, and not to remember what happens to the bravest men if they are confronted with superior armed force and a determined enemy who has been preparing for active aggression with the deliberate intention of using his weapons for that aggression.

In so far as the figures are available, we do not know. I hope that the minister will indicate that the figures are much better than they now appear. But one of the things that this committee should know and should insist upon knowing—and this insistence should come from every part of the chamber —is how many of the active forces are in headquarters, how many are staff, how many are in command headquarters, how many are engaged in the work in the various military establishments across the country and in the armouries as well. We should know what the proportion is of each of those groups brought right down to the actual hitting force itself. When I speak of the hitting force, I am not including those vitally important services—and may I emphasize the words "vitally important services"— such as the medical service, the army service corps and the various organizations required to support troops in the field. Their place is as a component part of any successful military effort. But the effort from the staff organization down and up again is all related to what hitting force can be put in the field. If our hitting force is only of the order of 4,000 or 5,000 men, and if that is the total number of men that we could put into the field if the call came tomorrow, then there is a disproportion that should alarm everyone here and everyone in this country; because that proportion is not one that is in keeping with any balanced allocation of military tasks.

When the minister was asked about those forces, and it was mentioned that 80 per cent of the establishment of the brigade group would be in the neighbourhood of 4,000, he said quite properly that it must be remembered that behind and associated with that were the reserve units. There again is something about which we should have a great deal more information than we have now before we even think of passing this item. We must remember that this item is the one that embraces the whole broad field of military expenditure in the general field of military training.

The minister pointed out that certain units of the reserve forces which have been mentioned are in a high state of training and that they would be able in a short time to give an excellent account of themselves. He was asked, "Within what time?" His answer was, "Varying times". I do not think any words in this discussion have been more descriptive of the nature of the information that we have than the answer that was given to that question, "Within what time?" The answer was, "Varying times". What is meant by "varying times"?

Do not let anyone accept the statement that we are getting accurate information when

we are simply told that the reserve units could be put in the field in varying times. We know from experience that units of the reserve forces were put in the fields in varying times in the last war, and they ranged from two and a half years upwards. It takes a long time to bring a reserve unit up to combatant standards, unless its training has been on a combatant level, whether it has full equipment or not. I greatly question whether there is a single reserve unit in Canada today that, with any justice to the men in that unit, could be put in the field against a trained army in less than six months. We are talking in terms of what can be done in the face of an immediate threat, not what can be done at some distant time.

I would hope that the members of this committee would ask that the Minister of National Defence speak with words that have the same clarity as those used by the Secretary of State for External Affairs, because the Secretary of State for External Affairs left no doubt that I can see in reading the words as to his interpretation of what happened so recently in London when the twelve member nations of the Atlantic community met there and reached certain agreements. Speaking as the man who had actually been there, speaking on behalf of Canada, and speaking as the man who represented Canada, the Secretary of State for External Affairs told us here in this chamber last Monday that never again could nations wait behind the ramparts of sacrifice of other nations to build up their strength to defend themselves. Those are clear words and they are words that face the reality. Never again, he was telling us in effect, will there be that period which we were given in the first world war and in the second world war to make up for the time which had been lost in making any effective preparation to meet the threat of war which was actually before us. Never again can we hope for a channel to protect freedom in the way that the channel protected Britain as the great outpost of freedom in 1939 onwards until the free nations were ready to re-invade the European continent.

The Secretary of State for External Affairs also used words which were open to no doubt when he said that this agreement laid down a new principle and that principle was—and he used an illustration to show what he meant —that each nation within this group of twelve nations would decide what task it could best perform and what things it could best produce as part of the combined effort. Let us take the illustration of the battleships, and this has already been mentioned; but in the face of the uncertainty of the statements that have been made, it obviously needs to be repeated. He pointed out that if the battleships could best be built by one nation, then other nations would not build them; but he pointed out that such an economy of forces—and may I emphasize the words "economy of forces"—would only be possible if the other nations knew that the nation which was building the battleships would put them to immediate use in the event that a threat had to be faced; and that applied to aircraft, to armoured vehicles and to everything else. It is not only that the nation which can best produce those things will produce them and train with them, but that whole principle rests upon the clear understanding that if other nations leave that job to a nation that can best perform it, that nation which is doing that particular task will carry out that task at the moment that the task is of importance.

We have no such definite statement from the Minister of National Defence. On the contrary, we are told that what has happened in London calls for no change that should be announced to us now. All over this country the agreement was hailed as one of the historic documents of our time. The newspapers very naturally, in editorials and in feature articles, spoke of the fact that this presented the possibility of a reorganization of our forces which could increase the effectiveness of those forces and at the same time make it possible to economize in some of these things. And yet we are told that there is no change from what has been placed before us for so long, and that this calls for no new announcement, no new plan, no statement that there will be a re-adjustment of the proportion of units or anything of that kind.

Mr. Claxton: What suggestion have you to make about a re-apportionment of units?

Mr. Drew: I will make that suggestion in a moment. In so far as these details are concerned, I asked last night—and I asked in the hope that the minister would comply with the request—that the minister agree to prepare a statement which could be presented to this house and could be printed as an appendix to the records of the house, which would show the actual military formations in this country, would show the headquarters organization here in Ottawa, would show the command organizations, would show the groups within those various commands; would show the number of infantry units, the number of artillery units, the number of engineering units, signal units, medical units and all the other units required by a land force; would tell us the number of air units of different kinds, whether of fighter, bomber or other squadrons, would give us the numbers and types of ships, both in

active service and included in these estimates for construction or for the beginning of construction during the current year.

The minister comes forward with nothing of that kind. He still talks in generalities, still talks in very vague and uncertain terms of the things that must be secret, and we do not even know what he thinks should be secret and what should not. There is no mystery about the organization of our forces in this country. We have a headquarters staff here in Ottawa, and we should know—and I propose to ask in detail—exactly the number of staff officers in this headquarters, what the military staff organization is under them, what the general civilian body is that is employed here in Ottawa; what the number is at command headquarters, what the number is at every other military location throughout Canada, and the number of people, not giving them in individual points, but the number employed at armouries and at other establishments for maintenance and otherwise. These figures could be given without producing volumes to do that task.

Let us look at the situation. We have this headquarters here. The general staff is situated here, and all the supporting organization. Then we have in this country five commands. We have these commands divided as follows: We have the eastern command, with headquarters at Halifax; we have the Quebec command with headquarters at Montreal; we have the central command with headquarters at Oakville; we have the prairie command with headquarters at Winnipeg, and the western command with headquarters at Edmonton. In turn these commands have certain special duties and certain special tasks. One of the things that should be explained to us, when the detailed organization of these commands is given to us, is what is being done at these commands for divisional organization, and what is the divisional organization within these commands; because that also is something that relates to the type of training that we are giving, and whether there should be a reallocation of forces in this country.

Also there is the question of the interchangeability of units between eastern and western commands because of the similarity of their tasks. Certainly it is not in any of these secret categories when we recognize the fact, which is not stated in any of these records, but nevertheless is fully recognized and generally known but has to be stated in order to examine the whole picture, that our military establishment is based upon the acceptance of the proposition that we will have six divisions, four independent infantry brigades, two independent tank brigades as well as certain ancillary troops.

[Mr. Drew.]

The divisions in the various commands are as follows. The eastern command has the fifth infantry division; the Quebec command has the third and fourth infantry divisions; the central command has the first infantry division and the second armoured division; the western command has the sixth armoured division and the Pacific command has part of the fifth infantry division, so that the fifth infantry division is made up of the parts that are in both the eastern and western commands.

When the Minister of National Defence asks what should be considered, well, here is something that certainly should be considered, namely, whether or not the decisions that were made in London so short a time ago have any bearing on whether there should be a greater concentration of armoured divisions than of ordinary infantry divisions. I think the minister should tell us whether he thinks that with the developments of the past few months, let alone a few years, infantry divisions can ever possibly be expected to go into active service except in association with armoured divisions; and whether the whole plan should not be to create fighting teams in which the armour and infantry are integrated at all times without any degree of separation between the two formations.

The war establishment, and it is the active service establishment that we are contemplating in this discussion of an armoured division, consists of an infantry brigade of four infantry battalions, an armoured brigade, four armoured regiments, divisional troops. These divisional troops include divisional artillery, self-propelled regiments, self-propelled anti-tank regiments, armoured car regiment, motor battalion division, signal regiment, divisional engineers, divisional service corps, divisional medical corps, divisional ordnance corps, divisional electrical and mechanical engineers. That is the type of force that is included in one armoured division on a war establishment. I think that is the kind of thing we should be asking at a time like this, when the very survival of this nation rests upon the subject we are discussing.

Mr. Ferrie: What do you want to tell the world about it for?

Mr. Drew: As I was saying, when the very survival of this nation depends upon the subject we are discussing. First: what is the actual situation in regard to each one of those units that are embraced in an armoured division of this kind? As would be indicated by the very fact that the fifth infantry division is divided between the east and west coasts, it is clear that the fifth infantry division is for coast defence in both coastal areas.

Then, outside of those particular troops that have this particular task there are five other divisions and in addition four independent infantry brigades and two independent tank brigades. These are all reserve organizations. I am convinced that there is no one who would speak with any measure of responsibility who would suggest that with the most concentrated training that could possibly be conceived those units could go into action in less than six months—and many of them would require a great deal more than that.

It is in the light of that situation that we must then go back to the words of the Secretary of State for External Affairs, who said that we have come to the time now when never again can preparation go forward behind the ramparts of sacrifices of some other nation, but that the task now is to have a hitting force that can be put into the field the moment the demand comes.

When the Minister of National Defence asks what can be done, then I say to him that what can be done and what should be done—and we should be having staff officers right here to tell us—is, in the light of this new principle enunciated last Monday by the Secretary of State for External Affairs, to tell us what is the maximum hitting force which can go into action immediately and that we as a nation can maintain.

That is the question. And on the answer to that question depends the answer to the demand for money which is being made in this House of Commons. It may be a great deal more than the money that is asked for, and it may be less. It may be that, if our forces are organized on a highly efficient basis, with every unit trained to work as a team that can go into action the moment the whistle blows, we actually would save millions and scores of millions of dollars. On the other hand, if on the advice of the staff, and with that advice presented to members of parliament, it is clear that more money is needed, then I am satisfied that parliament and the people of Canada will vote whatever money is needed to preserve that freedom which means more than life itself to our people.

But let us know what is the force. I say the definition is simple, and the definition is not contained in anything that has been put before us here. The definition is simple, and it is this: We are members of the Atlantic community of nations. According to the Secretary of State for External Affairs we have agreed to become part of a team of free nations pooling all their strength for the preservation of their freedom. We have agreed as a free nation to pool that strength upon a basis which will economize by using that strength which each nation can best produce.

Our contribution may well be limited in the field of a land force; it may be very great in the air. I have no doubt that that is our major role. It certainly would be very great in hard-hitting armoured units. Also there are undoubtedly certain types of service craft which this country has learned to make so well, manned by men who have shown as high a natural instinct for seamanship as the members of any navy in the world. There again our task is to determine what proportion of those should be used, and whether in the light of this new principle enunciated by the Secretary of State for External Affairs we are to maintain aircraft, carriers, cruisers, destroyers, submarines or vessels of any other kind.

All we are asking, and I am sure what the people of Canada are asking, is to know what the facts are and to know the best contribution we can make and, knowing that, then to relate the expenditure of money called for by parliament to the most effective organization of a force of that kind that can be put into operation the very moment danger of war should threaten. It is upon that basis that we will have not war but peace.

If there is one clear and tragic lesson that has emerged from all the dreadful and heartbreaking evidence at Nuremberg last year, it is the clear evidence that where there were two world wars there could have been peace, if the free nations of the world, with all their vast resources, and that greater energy which freedom gives, had only had the vision to stand together and to say to Germany and to other aggressors before war actually came, "We will give everything we have to save this freedom that we love so much. Do not be misled into believing that we have gone soft, or that we are not prepared to fight for the freedom which you threaten."

Today there is only one possible enemy in the world—only one. Never before in the whole history of the world have the lines been drawn so clearly. Those of us of my age and over have lived through the most eventful years in the whole history of the world. My memory as a small boy goes back to the days immediately following the South African war, and to the time when those who served in that distant field came back. To us they were almost like men from Mars. They had been in a distant world the rest of us could not understand. They had come from a distant land the rest of us would never know. There was romance, there was glamour—yes, there was an appeal about the thought of marching men on the distant veldt that had

no relationship to the tragic hardships, the disease, the death and the horrors that went with that struggle in a comparatively limited part of the world.

Then, in the years between 1901 and 1914, there were a number of great powers any one of which might have threatened the peace of the world. There was Germany, the Austrian empire of 55 million people, France, Italy, China, Japan, Great Britain and the United States. They were all strong powers.

Then war came, and out of the holocaust of war a very limited number of nations carried on as great powers. Actually in the years after the war Japan in the east and Germany in Europe presented the only real threat. Mussolini could not build a formidable army although he put many men under arms. Two threats were there and we knew they were threats. Russia was not yet a threat in the same way because it was still gathering its forces together under the new tyranny which had emerged. But it would be a good thing for us to recall that the real driving power that created the tyrannies in Germany and Italy was communism itself. It was because of the rise of communism in Germany after world war I, after the dreadful horrors of the communist governments of Prussia, of Saxony, of Bavaria and other German states, it was after the horrors of communism in Italy as well, that these dictators emerged and built up their military power.

In the Orient the military power of Japan was built up upon another basis. But there was that threat; we saw it and we knew it. War came. The war destroyed much. But for Great Britain, for the commonwealth, for the United States, for many nations in Europe and the rest of the world, thank God, it did not destroy freedom. But freedom has been lost in many parts of the world. Freedom is being lost day by day, under the threat from one power and one power alone.

That power has vast military strength which was built up largely by the assistance given by Great Britain, by the United States and by Canada as well. Let us be under no delusion as to the strength of Russia in many lines. I am not questioning the wisdom of the decisions arrived at at the time, but we sent some of the finest electrical equipment ever produced in Canada to help rebuild the great power plants on the Don, the Dnieper, and the Dniester. Those great projects are producing the power for the munition plants of Russia where they are turning out arms and equipment with the help of the conscripted skill of eastern Germany which they control.

It is not an easy picture to accept. We know that the machine tools which they cannot turn out as yet on a satisfactory basis were supplied by ourselves in limited quantities, by the United States, by Great Britain, by Sweden and other countries which are able to make machine tools of the highest quality.

That threat is there and must be dealt with, not by promises of what can be done within six months, within a year or within two years; it can be blocked only if we face the realities of what it means. We, along with other nations, must create armed forces in being, not armed forces on paper, not armed forces that can go into action in six months or a year.

The Minister of National Defence knows that I had some experience with this problem and it is because of that experience that I am concerned about any delay in the reorganization of our forces in keeping with the principle that has been laid down. As he has stated, I had the privilege of being the president of the Canadian Artillery Association at a time when all the defence associations came together for the purpose of drafting a plan for the reorganization of our land forces. At that time there was a complete disproportion between the infantry units, the artillery units and the other units. The resolution upon which the reorganization took place was a simple one calling for the integrated organization of the land forces in Canada on the basis of not less than four and not more than six divisions on an active service basis. With the acceptance of that principle the six-division basis was adopted and the reorganization took place. It took several years and it was only because there were several years in which to carry out that reorganization that it was possible for the reserve units of this country to be mobilized as they were in 1939.

We are confronted now with another demand for a type of armed force that will be adapted to the principle enunciated so clearly last Monday by the Secretary of State for External Affairs. We want to know exactly what is the maximum hitting force that can be put into the field right away, not something that will take months to prepare but right away. Whatever that force is, we want to see the equipment and we want to see the training. We want to see the sort of organizations which can put those units in the field at the earliest possible moment. So much for the land force.

What is our role in the air? That too must have been discussed. There cannot be any secrecy about this. As the organization of

our air force is developed it is known to everyone. They know what the types are. The Russians do not think that a Vampire or other jet machines are bombers. They do not think they are anything else but what they are. They can tell by the type of machine just what it is intended for. When we have five jet squadrons, which is the present objective, they will know that those five jet squadrons are for a particular purpose. If we have jet transport squadrons or turboprop squadrons or squadrons of any other kind, they will know what they are for. For that reason, let us know what is needed. Let us know what fits into this pattern. Then let us insist that the plan be completed.

The same is true of the naval force. Let us know whether the aircraft carrier is still part of the force or whether it should be reallocated to the navy of Great Britain. On the other hand, let us know whether we should have more aircraft carriers. Let us know what the task is.

In this respect may I point out that it is not enough for us to be told by the minister what he thinks this is; we should have the evidence of what is required. It is for this house to say how far it is prepared to go and to insist that this government, with the full support of the members of parliament, must create the most efficient fighting unit consistent with this new principle which will economize our effort and which will make it possible to develop our strength within this team of free nations.

Beyond the armed forces is the question of military supply. We have the statement of General Howard, chairman of that board, that the developments are not as advanced as they should be. We should know how much of this money is needed by that board under the chairmanship of General Howard. Having regard to the allocation of tasks, we want to know that that also is brought up to date.

That is the broad picture. We are not dealing simply with marching men; we are not dealing simply with aircraft flying over our heads; we are not dealing simply with the magnificent sight of ships; we are dealing with the last chance for freedom in our generation. That is what it is. It is time that every one of us grasped this problem with full recognition of all that it means. If there is one call that should come to us from those whose memory is perpetuated in the cemeteries, money for which is a part of the requirements to be voted, it is: Do not again put young men against steel, iron and explosives without the steel, iron and explosives that they need for their task. Do not pit flesh and blood against steel. Do not test the bravery of a free people beyond endurance. We have risked that twice. Let us not try it again. That is the issue before us. In the light of that issue I once again urge the Minister of National Defence to give us the complete breakdown to which we are entitled.

Mr. McIvor: I have listened to many speeches in this debate and a lot of them have been good, but I must admit that the greatest force in keeping a nation alive and winning wars has not been emphasized. As the dramatist said: "There's a divinity that shapes our ends, rough-hew them how we will." Behind parliament, behind the soldiers and behind the nation if we have not that power which is divine we will be licked to a frazzle. Napoleon said: Talk not to me of Providence; Providence is on the side of the heaviest battalion. As somebody has said, Napoleon lived to rue the day when he found that Providence was on the side of the white snowflakes of Russia, when the flower of France were frozen in their saddles. I would advise the opposition, the minister and the government to put the emphasis on the greatest force possible. We have to keep ourselves in shape and well equipped physically and mentally, but certainly we must keep ourselves equipped spiritually.

Mr. Drew: Mr. Chairman, there is one correction I should like to make. Because of the fact that the over-all figure of 40,000 odd was referred to I used it. I want to correct the figure in relation to the army as distinguished from the armed forces generally. The total for the army as distinguished from the armed forces is in the neighbourhood of 20,000 whereas the armed forces are in excess of 40,000.

Mr. Claxton: Mr. Chairman, we have listened to a speech by the leader of the opposition which was rather similar to a speech he made yesterday and to others which he has delivered throughout the session. I do not say on that account that it was necessarily a bad speech.

An hon. Member: Friday night.

Mr. Claxton: Not necessarily, but I say that the problem of our national defence is a problem which must be decided by parliament and the country, and one which must be decided in the light of the circumstances as they exist at the time. Hon. members will appreciate that I have made a good many speeches throughout the country about the communist menace. They will appreciate I have made a good many speeches to arouse interest in the work of our armed forces and

explaining their needs, but I do not feel it is necessary to make that kind of speech tonight. I feel that this is one kind of audience which might have been spared the speech made by the leader of the opposition. He has made it before, and we agree with a great deal of it.

We are concerned now with voting $425 million for purposes of national defence for the year 1950-51. That is the matter before the committee. I must say I have been ready to take part in that discussion since the 17th of March when this department was the first to be brought into supply. We have not been assisted to any great degree in making any progress by the various measures that have been brought forward by opposition groups from time to time. But here we are. We have had two days of the most ample and general discussion. A good deal of it has been first-class and very welcome; but why the leader of the opposition, the hon. member for Kamloops and other members of the opposition should in some way find fault with us because we have not anticipated meetings that have not taken place, because we have not anticipated decisions that have not yet been made, because we have not declared history before it has been written, I just do not understand.

That has gone on for two days, apparently in some kind of notion that in the statements of the Secretary of State for External Affairs and myself there is room for finding some point of difference. I should like once and for all to scotch that type of childish effort to provoke some kind of division in the government. The Secretary of State for External Affairs and I have known each other for over twenty-five years. We have worked together on international conference after international conference. When he was away in London at the recent conference it was given to me to represent him in the house as Acting Secretary of State for External Affairs, as it has been my duty in his absence ever since he was appointed Secretary of State for External Affairs. So far as I know, when I have acted with him as his junior on a delegation, or when we have worked together on any other occasion, we have worked together as one person speaking the same language, as members of this government work together under the leadership of the Prime Minister. We have gone over the text of what the Secretary of State for External Affairs said and I think I have quoted parts of it twice, but I only did so because members of the opposition failed to quote the parts that were necessary to complete the picture. The statement is there. If you look at the statements made in consequence of the first meeting of the council of ministers under the North Atlantic pact in Washington; then the defence committee held in Washington; then the defence committee held in Paris; then subsequently the defence committee held in The Hague; and finally the council of ministers held in London; you will see a record of gradual, steady but rapid accomplishment of the ends for which the North Atlantic treaty was signed by this and the other eleven nations.

Let no member of this house and no person in Canada ever fail to remember that among the nations which put forward the idea of this treaty, Canada, through the statement of the Prime Minister at the United Nations, was one of the first. That was followed through in our work in the working group. In fact I believe we were the first country to sign the pact, and then we were among the first to ratify it without a dissenting voice in either this house or the Senate. Make no mistake about it, any effort by anyone anywhere to indicate that we are less than faithful to our signature and desirous of the interests of freedom is an effort to distort the established record and to thwart the interests of the Canadian people.

Why should it be necessary for me to say this after we have gone through all these debates, and the discussion in the house yesterday and today? Only because an effort has been made to indicate that Canada, in some way or other, is doing less than she should. Sir, I am one who has had to face the Canadian people in some elections, and I never want to face any section of the Canadian people unless I can say that we have done everything that is necessary to live up to our bond, to seek our interests, and to do what the Canadian people want. The record of the armed forces of Canada in the great war of 1914-18, and the second world war, has given us a place second to none among the nations of the world, irrespective of size. We have earned their respect, and we are going to hold their respect.

Why have the members of the official opposition brought up this series of questions as to whether we are going to make changes; whether we are doing enough; whether we should not suddenly stop in the middle of our defence preparations this year and make some other preparations, because of the declaration of an important principle? I do not know why they have done it. I do not see where they are getting. I do not see any political advantage from it. I certainly see no national advantage to it. I see nothing in the speech of the leader of the opposition that would help us in either raising forces for our own defence or meeting the enemy should he come tomorrow. I do not see it. I have been

trying through three years to develop the sort of idea that I believe is thoroughly understood by this country, and that is that defence is a matter of major government policy, of major national policy, because of the attitude of the Soviet union. Owing to that fact, we have been seeking increasingly large amounts from parliament in order to secure the means of defending ourselves, but also to contribute to the defence of other nations who think with us that we must defend our freedom wherever it can best be defended. Towards that end I believe a good many hon. members on both sides of the house have spent their efforts. I believe also that, to a greater degree than ever before in the peacetime history of this country, the needs of national defence are recognized and appreciated by the people in every part of Canada, and no one has done more to arouse that appreciation and that recognition than the Prime Minister.

But far more than the efforts of any person have been the realities of the situation. On that account, as I say, we are seeking an increasingly large amount from parliament for national defence. This year we have come before you for $425 million. I shall not say for a moment that with $425 million we can guarantee Canada, or any part of it, against attack. I shall not say that with $425 million we can replace all the deficiencies that may be found in western Europe; that is ridiculous. What we must do is see what part of our national income, of our national budget, of our national production, we can spend on defence, having regard to our appreciation of the international situation. Then having regard to that sum, but always having arrived at it with regard to the international situation, we must see how we can best spend it. During this discussion I have not heard very much criticism of the work of the members of the Royal Canadian Navy, or the army, or the air force, and they are people who are our defenders today.

It is possible, of course, to say that we should spend a little more in respect of the air force; a little more in respect of the navy; a little more in respect of the army, or the reserve, or the active forces, or cadets. But every cent more that is spent in one direction must be taken from somewhere else. You cannot use these dollars that are voted by parliament more than once. You can use them for personnel, for construction or for equipment. You can use them for the navy, army, or air force. You can use them for active or reserve forces, but you cannot use them right across the board. The point which I believe must be emphasized before this committee is that, on the information I have given today and having regard to comparisons that are available to us of the accomplishments of our navy and air force, and then from what we know of the army, the division seems to be as good as we can work out. I have not heard any suggestion that there is anything wrong with it. I have only heard suggestions that I should announce some change in consequence of some decision that has not yet been made. But I think that this committee will agree with my suggestion and also the people of Canada, judging from what I have seen of them—and I dare say I have travelled about the country on my job more than most other hon. members, meeting the people and trying to persuade them that what the defence forces need is their support and then explaining defence policy to the defence forces. What I have found everywhere is that the need is for appreciation, and that the defence forces are not only accepted but are respected to a degree that has never been attained before in our country's peacetime history.

Every now and then there is thrown out the suggestion that everything is fine with the defence forces but everything is wrong with the minister. I do not claim a bit of credit for anything that is good about the defence forces, and I think they are good; but I demand the right here or anywhere else to defend them, and I have done so from one end of the country to the other whenever the need has been apparent.

I am sorry, Mr. Chairman, to have taken up so much of the time of the committee, but I do not think I have taken up nearly as much as have some of the hon. members of the opposition who have made statements today. I should like to deal again with a matter I dealt with before; and always on these questions it is difficult to know how much one can go beyond the terms of the actual communiqué that we agreed to have announced. One of the things the leader of the opposition said was, "Let us know what is needed" and he said he was sure that the Canadian people would respond. I am finding that the Canadian people are responding quite well to the appeals that are made to them. But "Let us know what is needed", he said; and I ask, "Let us know what is needed, where, when, by whom, and with what?"

I would tell the leader of the opposition this, and here I think I have the precedent of General Bradley in the speech he made on April 14 to which I referred. The list of the requirements of the countries of the North Atlantic treaty far exceed their present

available resources of personnel or equipment. That is so in almost every computation of military needs. I do not suggest for a second that we should not take the list of requirements as being serious. Of course they are. But when he says, "Let us know what is needed", I say that we can only answer that in terms of what we think we should contribute to the common pool of defence, and then also relate that to our own local defence needs; and relate for our own local defence just as small a portion as is possible for us to relate in that way. We want to have in Canada engaged in static defence as small a force as is regarded as being needed. But then we get into the question of equipment, personnel and what is needed for balanced forces; and that is one of the questions which are coming before the deputies who have not met yet—they have not been appointed yet—and before the other agencies of the North Atlantic treaty organization.

I must say that I am astonished at being accused steadily throughout the last few days of not disclosing something that has not been revealed or yet disclosed to me or to anyone else in the world yet. I am also surprised at being accused of saying that we are not taking care of the future, not thinking ahead and so on, when all of our defence planning, as far as I can see and as disclosed to hon. members, has been based on the principle of continuing examination to meet changing circumstances. Just because we seem to have done so well in anticipation as not to require any change in the immediate future does not mean that we will not require a change over the long term or over the intermediate term. As I said today, we shall be ready and glad to discuss with our partners in the North Atlantic treaty ways and means of pooling our resources so that we can make the best possible use of them. But that does not remove from us in Canada the responsibility of trying to work out what is the best pattern for our forces. I must say that during the last few days or in the previous defence debates I have not heard anything which has caused us to alter greatly the pattern that has been worked out since the war. I must also say that we have heard a good deal, particularly from the hon. member for Nanaimo, which has confirmed us in the course that we have been following; and I hope that we shall hear more in the future to the same effect. But let no one try to separate us one from another by any charge based on false premises. And let no one suggest for a second that this government or this department is not doing everything in its power to press forward the preparation of our defences within the means put at our disposal. In that I am sure we shall have the support of members from every part of the committee.

[Mr. Claxton.]

Mr. Harkness: I am somewhat surprised at the speech the minister has just made, particularly the earlier part of it. On reading it over in the morning, I think he will find that it will not stand up well to critical examination.

An hon. Member: Who are the critics?

An hon. Member: General know-all!

The Deputy Chairman: Order.

Mr. Harkness: I should just like to comment on a few things that he said. He started out his speech by saying that he has been ready to go on with his estimates ever since they were first introduced on March 17; and then he tried to give the impression that the reason he had not been able to go on with them was that the opposition had prevented him from doing so. Nothing could be more arrant nonsense than that. The government has the conduct of the business in its hands. It decides every day what will come up for debate the next day. If it had wanted to bring on the estimates of the Department of National Defence for the five days following March 17, except Saturdays and Sundays, it could have done so; and if it had wanted to bring them on at any time after that, it could have done so. The idea of trying to leave the impression that the opposition has prevented these estimates from being discussed for almost three months is, as I say, complete nonsense. The government could have brought them on at any time whatever, and they must take full responsibility for not having done so.

Mr. Ferrie: The hon. member has been talking all day and has not said anything.

Mr. Harkness: I have been interrupted by the hon. member for Mackenzie—

Mr. Cavers: Not only by the hon. member for Mackenzie.

Mr. Harkness: He has spent his time mumbling and grumbling—

Mr. Ferrie: Who would not, with you?

Mr. Harkness: —and shouting "carried" for the last several days. I happened to go to the performance of Hamlet which was held here on Wednesday night, and when the hon. member for Mackenzie started shouting and mumbling tonight it reminded me of Shakespeare in another play of his called King Lear—

Mr. Ferrie: Much ado about nothing.

Mr. Murray (Cariboo): A midsummer-night's dream.

The Deputy Chairman: Order. I can see that hon. members are in a very good mood. I am sure we all hope that this debate will be carried on in a very serious manner. Therefore I ask hon. members not to interrupt the hon. member who has the floor.

Mr. Harkness: I am in this difficulty; I could not hear the interruptions, there were too many at the one time. However, as I was saying, Shakespeare was the most versatile writer who has ever lived, I presume—

The Deputy Chairman: Order.

Mr. Ferrie: That has nothing to do with the estimates.

The Deputy Chairman: Order. I think the hon. member for Calgary East should relate his remarks to the item now before the committee.

Mr. Harkness: I think I am, Mr. Chairman. I am relating them particularly to the interruptions. It will only take a moment. I am sure that the hon. member for Mackenzie is a great student of Shakespeare, and I would like to draw his attention particularly—

The Deputy Chairman: Order.

Mr. Ferrie: Ditto, my friend from the west.

The Deputy Chairman: Order. All hon. members will admit that this is a very serious debate which we are now carrying on. I should think that the decorum and prestige of the house should be maintained. I have asked the hon. member for Calgary East to relate his remarks to the item under discussion. If he relates the little story of Shakespeare that he has before him—

Mr. Harkness: I hold in my hand—

The Deputy Chairman: The hon. member should resume his seat. If he wants to relate his remarks to the interruptions which the Chairman has been trying to prevent, and which he is now trying to prevent, and will try to prevent until eleven o'clock, he will not be carrying out the Chairman's ruling. I should like the hon. member to relate his remarks to the item under discussion. The story he was about to tell has no relation whatsoever to the item under discussion.

Mr. Harkness: Mr. Chairman, I will just read these few lines—

Some hon. Members: Order.

The Deputy Chairman: Order. I ask the hon. member to co-operate with the Chair in this instance. It is very difficult to keep order in the committee when hon. members do not want to co-operate. I would again ask the hon. member to relate his remarks to the item under discussion. I know that is what he will do.

Mr. Harkness: Mr. Chairman, if any member wishes to read it it can be found in act 2, scene 2, line 71 of "King Lear" where Cornwall asks:

Why are you angry?

You know, Mr. Chairman, it seems to me that this house is degenerating when it has come to the point that one is not allowed to quote Shakespeare.

Mr. Adamson: Shakespeare is now out of order.

Mr. Harkness: Hon. members seem to quote everything else, but when you come to quote Shakespeare you are ruled out of order. I tried to do so.

Mr. Adamson: Shakespeare was not a Canadian.

Mr. Harkness: To come back to the remarks which the minister was making, he said that an effort had been made to show that Canada is doing less than she should. No such effort as that was made, Mr. Chairman. Nobody on this side of the house made any attempt of such a nature. What we have done is to have asked for information. And it is information which we think we are entitled to get. There is surely nothing in the matter of asking for information which should cause the Minister of National Defence to say that an effort was being made to show that Canada is doing less than she should. Nobody has suggested that; nobody has thought it.

Then the minister asked this question: Why have the opposition been asking these questions? Well, by that he meant the questions that we have asked about the possible change in defence planning, and so forth, because of the agreements made last month in London. The answer to that is very simple. We have been asking the questions because we want to know the answers. What other reason is there for asking certain questions? The minister was making a great point of it. We asked these questions naturally because we want to know, and we think it is our duty to know, what our defence policy is; whether there have been any changes in it as a result of these agreements which were made last month, and also how the defence policy is to be or is being implemented or carried out. That is why we have been asking these questions. There is nothing else we can do except ask them.

One reason that we have to ask them probably more often than we would like to ask them is that we do not get direct, straight answers to the questions. We have to keep

asking and asking over and over again to get anything like the information that we want. In other words, we draw it out in bits and pieces. If we could get a complete and full answer the first time, then we would not have to repeat the question, and ask for another bit of information on something else.

Finally the minister said he had not heard any criticism of the navy, the army or the air force. Certainly he has not heard any criticism of them. Why should he hear any criticism of them from us? They are carrying out the duties assigned to them, and the policy which is adopted by this government. So far as we have been able to determine, they are carrying them out very well. But what we are criticizing, what we are asking questions about, is the policy. What is the policy? That is what we are trying to find out, particularly as to whether these forces have the strengths, the equipment and so forth to be able to carry out these policies properly or not. That is what we are asking for, and that is what we want. In many cases these are not the answers we have been getting.

The Deputy Chairman: Shall the item carry?

Some hon. Members: No.

Mr. Ferrie: Mr. Chairman, I have not said anything in this debate. I have sat around here for quite a long time listening to colonels. The minister and I happened to be in the first war and we were of the same rank and we are proud of it. I am proud of every Canadian boy in the army, the navy and the air force. I will not sit here and listen to any man say that we have got divisions here that could not go into a war tomorrow and lick anything that there is in the world today. There are 40 million people in Siberia and we have 14 million in Canada. I want to say right here and now that these gentlemen on my left ought to be ashamed of themselves when they try to get information out of the minister when, as colonels, they themselves know that they would not under any circumstances give anything that they thought would help an enemy, if they were in power.

In the first war the late Colonel Ralston said, "Boys, you are going up to the front line. Remember one thing: silence is golden, and the less they know"—

An hon. Member: What about putting it into practice?

Mr. Ferrie: You don't need to talk, buttercup. Silence, as I said before, is golden. I am going to say very little more. Maybe some of my friends to my left will listen to me when I say this: The heart of government is in Britain; the muscle of government is in the United States; the brains of government are in Canada today.

Mr. Drew: Well now, Mr. Chairman, let us all be perfectly clear about one thing, and that is that there is no one in this chamber who has been casting any reflections on Canadians in any of the armed forces—

Some hon. Members: Oh, oh.

Mr. Drew: —and anyone who suggests that any member of this house did cast such a reflection is not worthy to sit in the House of Commons. Because I might point out that interest in the men of our armed forces is not the exclusive privilege of the hon. member for Mackenzie, or any other member in the House of Commons. There are members in the house who have as much reason for interest in and concern about those in the armed forces as any others who have spoken. I am prepared to attribute that interest to every member. I hope we will keep the discussion on the basis of the broad problem, and not try to divert the discussion to any such improper suggestions as those which were made.

When we are asked why any question should be raised—

Mr. Ferrie: On a question of privilege.

An hon. Member: Sit down.

Mr. Ferrie: Did not the leader of the opposition say that there was not a force in Canada today that was trained well enough to meet the enemy?

Mr. Drew: Mr. Chairman, that merely indicates how necessary it is that things be repeated frequently, because if the hon. member had listened, or if he had been capable of remembering, he would have remembered that what was pointed out was that we were told that there was a brigade group with an approximate number of 4,000 men who would be in position to go into active service right away. When the minister was asked how soon these other reserve units could go into action, if necessary, his reply was simply that it could be done at some uncertain time.

Mr. Claxton: Various times.

Mr. Drew: At some varying times. "Varying times" is the very expression I used, and "varying times" is something that not one of us can define. Varying time is something that all of us should try to understand. I, for one, have tried to impress upon the minister the desirability of preparing a statement which

would show a break-down. I do not believe for one moment that the minister is not fully aware of the kind of statement that would answer the request that has been made, and would greatly simplify this discussion.

I have stopped to point out that during the lifetime of many of us here we have seen events move through to the point where there are only two camps and where, if we succeed in our effort, we have brighter hopes of peace than ever before and, if we fail, there is nothing but disaster.

In so far as what we are discussing is concerned, I have merely suggested that we discuss it with a recognition of the seriousness of the problem. I am urging the minister to prepare such a statement. If he will not do it, then there is no alternative but to take these items one by one, go through them and get the information that could easily have been presented in a statement. That would have saved time—and the other way will take a very long time.

Now I shall ask my first question.

An hon. Member: Filibuster.

Mr. Drew: "Filibuster"—no; it is a subject about which we not only have the right but the duty to know something. That information could have been given to us in the form of facts, and perhaps disposed of in a very short time. However, since we have not got that I shall proceed to ask my questions.

My first question is this: How many officers, N.C.O.'s and other ranks are employed at headquarters at Ottawa?

An hon. Member: Carried.

Mr. Drew: No, it is not carried.

Mr. Claxton: I believe the answer to that question was given before. However, I am checking up.

Mr. Drew: Then, I shall put the next one: How many civilians are employed at headquarters in Ottawa?

Mr. Claxton: I think that was answered, too.

An hon. Member: Silly question No. 2.

Mr. Harkness: I do not think that was answered. I have a note down here in connection with it.

Mr. Drew: If it has been answered, then it would be very easy to give the information to me. We want it right up to date. I should like to ask that I be given answers to both the first and second questions.

Mr. Claxton: I will find out whether they have been answered. If they have not been answered we will be glad to get the figure for the leader of the opposition.

Mr. Fulton: How many civilian personnel were involved or employed in departmental administration in 1949-50, this year, and in the year 1948-49?

Mr. Pearkes: Perhaps it would simplify things if the minister would explain why there is an increase of something in the neighbourhood of $1,175,409 in the general administration item?

Mr. Claxton: I can give the hon. member the answer to that. It is almost entirely due to increased inspection services. A total of $758,433 of the increase is due to increased inspection services made necessary by increased purchases of defence equipment.

Mr. Pearkes: Where was that shown last year?

Mr. Claxton: Under the same item.

Mr. Fulton: How many extra personnel are performing the increased services?

Mr. Claxton: In the inspection branch?

Mr. Fulton: Yes.

Mr. Claxton: Eighty-nine people. In addition there is an increase in the amount of work let out by contract by the inspection services.

Mr. Pearkes: I am trying to be helpful and not critical, but in every other department you find a separate item for general administration while in the Department of National Defence everything is lumped in the one huge general item. It would be much easier if we could discuss under general administration the problems which we discuss under that item in other departments.

I noticed that other departments list under that general administration item the number of officials employed which I assume covers the administration of the several branches at Ottawa. But in the case of the Department of National Defence no such breakdown is given to us. Would it be asking too much to ask the minister to tell us what the ministers of other departments tell us, the number of officials employed in the various branches of the department and how much of this general administration item is for pay and allowances of officers and other ranks and personnel at national defence headquarters and in the several commands and divisions throughout the country? It is impossible from this one general statement to get any idea of what is covered by general administration in this particular department.

Mr. Claxton: I shall be glad to give that information. Departmental administration is $3,466,205, as shown on page 168 of the details. That is divided into three main heads: Departmental administration, $1,708,490; director of

public relations, $100,485 and inspection services, $1,657,230. The details making up the item of $2,202,728, in respect to the employee figures, are as follows:

	1950-51
1 Deputy Minister	$ 12,000
2 Associate Deputy Minister—$10,000	20,000
1 Assistant Deputy Minister	6,600
1 Co-Ordinator of Works and Accommodation	6,900
1 Financial Adviser, National Defence	6,000
2 Administrative Officer Grade 7—$6,300	12,600
1 Administrative Officer Grade 6	5,220
1 Administrative Officer Grade 5	5,040
Departmental Accountant Grade 9	....
1 Administrative Officer Grade 4	4,740
2 Chief Clerk (1—$4,050, 1—$4,380)	8,430
4 Administrative Officer Grade 3 (1—$4,380, 2—$4,320, 1—$4,080)	17,100
3 Administrative Officer Grade 2 (3—$4,080)	12,240
2 Administrative Officer Grade 1 (1—$2,480, 1—$3,360)	6,840
2 Departmental Accountant Grade 4 (1—$3,780, 1—$3,690)	7,470
1 Departmental Accountant Grade 1	2,880
7 Head Clerk (6—$3,660, 1—$3,420)	25,380
20 Clerk Grade 4 (11—$2,580, 2—$2,340, 1—$2,565, 1—$2,520, 1—$2,415, 2—$2,430, 2—$2,400)	50,220
13 Clerk Grade 3 (9—$2,280, 2—$2,190, 1—$2,220, 1—$2,130)	29,250
5 Clerk Grade 2B (3—$2,040, 1—$1,995, 1—$1,980)	10,095
1 Clerk Grade 2A	1,695
1 Clerk Grade 1	1,140
1 Chemist Grade 5	4,740
1 Confidential Messenger	2,040
1 Information Officer Grade 3	4,740
1 Inspector of Stores Grade 4	3,480
1 Messenger	1,800
10 Principal Clerk (8—$3,060, 1—$2,910, 1—$2,820)	30,210
2 Packer and Helper—$1,920	3,840
7 Stenographer Grade 3 (3—$2,280, 1—$2,130, 1—$2,100, 1—$2,070, 1—$2,055)	15,195
1 Stenographer Grade 2B	2,040
2 Storeman Grade 1 (1—$2,055, 1—$1,965)	4,020
1 Secretary to Executive	2,760
1 Supervising Clerk	3,360
3 Typist Grade 2B—$2,040	6,120
2 Technician Grade 2 (1—$2,880, 1—$2,970)	5,850
1 Technician Grade 1	2,580
1 Watchman	1,920
1 Fitter-Machinist	2,160
1 Labourer	1,800
1 Private Secretary to Minister	5,000
1 Assistant Private Secretary to Minister	3,000
3 Departmental Accountant Grade 2 (1—$3,180, 2—$3,060)	9,300
	$384,945

Then there are 760 temporaries totalling $1,781,213.

Mr. Pearkes: I wonder if the minister would like to put the list of temporaries on the record rather than read them? He has had a hard day and it may save time.

Mr. Claxton: I have enjoyed this day.

Mr. Pearkes: I was only trying to save the time of the committee. In the long list that the minister has just read, did that include officers of the army, navy or air force, or are they all civilians?

Mr. Claxton: All civilians.

Mr. Pearkes: Is this amount of $3,466,205 all paid out to civilians?

Mr. Claxton: Oh, no, the total for salaries that I mentioned was $2,202,728. Those are civilian salaries and wages as shown on page 168 of the details.

Mr. Pearkes: Are any military personnel included in those?

Mr. Claxton: Not at all.

Mr. Pearkes: Then it is all paid to civilians?

Mr. Claxton: That is right.

Mr. Pearkes: That is the point I asked a moment ago. Then in addition to the $3,466,000, which is for departmental administration, there are a certain number of officers of all three services employed at headquarters in Ottawa.

Mr. Claxton: Yes.

Mr. Pearkes: Can you give me any idea what the pay and allowances of the total number of officers and other ranks employed at national defence headquarters would amount to?

Mr. Claxton: That figure changes from day to day, as the hon. member must appreciate. I can get the figure for him as of any date he mentions. It will take a little time but that can be obtained.

Mr. Fulton: The minister has just given us a list of the permanent civil employees at headquarters under the item of departmental administration. Therefore he must be able to give us the actual number of both permanent and temporary employees. He said 760 temporaries, but how many permanent?

Mr. Claxton: There are 115 permanents and 760 temporaries.

Mr. Adamson: Those figures just include national defence headquarters?

Mr. Claxton: Yes.

Mr. Adamson: Not for any of the commands?

Mr. Claxton: No.

Mr. Adamson: That includes national defence headquarters for the three services?

Mr. Claxton: This is departmental administration in respect of the whole department but not within each service.

Mr. Pearkes: You referred to the inspection service. Is it carried out entirely by civilians?

Mr. Claxton: No. We have attached to the inspection service a number of service personnel in order to secure the advantage of service experience and training, and also the reverse with regard to inspection. It is mostly civilian but at headquarters in Ottawa there are a limited number of rather senior service personnel.

Mr. Pearkes: Are their pay and allowances included in the amount you quoted for the inspection service?

Mr. Claxton: No, they are additional. They are paid out of the pay and allowances of the armed forces. As I understand it, they are attached, not seconded.

Mr. Pearkes: That would not include of course any inspection services dealing with the efficiency of personnel or the state of training of the various units?

Mr. Claxton: No.

Mr. Pearkes: They are purely an inspection service dealing with the inspection of equipment, buildings and that sort of thing.

Mr. Claxton: That is right.

Mr. Pearkes: Does that include buildings which are under departmental—

Mr. Claxton: Perhaps they may have to do with some of the materials that go into the buildings that are constructed by the department itself, but that would be a very minor item. They have to do with equipment and supplies.

Mr. Pearkes: Do they inspect buildings which are being erected now for the department?

Mr. Claxton: No.

Mr. Pearkes: In the various headquarters?

Mr. Claxton: No. A very large part of the construction of defence quarters, particularly married quarters, is done by the Central Mortgage and Housing Corporation and we do no part of the inspection of that. I would have to verify to see whether or not our inspection services have to do with the inspection of materials or work entering into such part of our construction program as we do ourselves. My impression would be that they do not but I can verify that. They have to do with the inspection of armament, equipment, motor vehicles, clothing and the like. As an offhand figure, I would suggest that they inspect certainly in excess of 50,000 or 60,000 contracts a year representing approximately $150 million.

Mr. Pearkes: Is that in addition to any inspection staff employed with the Canadian Commercial Corporation?

Mr. Claxton: No, the Canadian Commercial Corporation is a procurement agency for the Department of National Defence. We are the consumer and we provide the inspection services.

Mr. Pearkes: You provide the inspection services in that case?

Mr. Claxton: Yes.

Mr. Pearkes: And that also applies to Central Mortgage and Housing Corporation?

Mr. Claxton: No, not to Central Mortgage and Housing Corporation. We do not provide any inspection service.

Mr. Pearkes: I am sorry for that because certain complaints have been made regarding the type of houses which have been constructed. I believe you had a communication only a short time ago from the city of Victoria making a complaint. We accept these houses without any inspection? There is no check at all by the department?

Mr. Claxton: The houses are not delivered to the Department of National Defence. In effect they are leased to members of the defence forces. It is quite true that it is not precisely the same as a civilian lease because they do not receive their allowances. In their place they receive a house. In effect the defence personnel occupying Central Mortgage and Housing Corporation houses are in the position of tenants. Of course we try to see that the houses are in good shape before they are delivered. We do everything possible towards that end but we are not responsible for the condition of the houses.

Mr. Pearkes: Do personnel have to live in them?

Mr. Claxton: There has been no difficulty about forcing personnel to live in the houses. There is a waiting list at every military establishment for such houses.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will take up the second reading of Bill No. 268, an act to amend the Foreign

Insurance Companies Act, 1932; second reading of Bill No. 269, an act to amend the Canadian and British Insurance Companies Act, 1932. I understand these two bills will be referred to the standing committee on banking and commerce.

Mr. Fulton: Where are they now?

Mr. Fournier (Hull): They received first reading by leave of the house just before six o'clock. We will then take up the resolution in the name of the Minister of Trade and Commerce concerning the Defence Supplies Act; Bill No. 89, an act to provide for the publication of statutory regulations. Then we will move to go into committee of supply and call one item of the Department of National Revenue, that item to stand. We will then take up the estimates of the Department of Agriculture.

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

HOUSE OF COMMONS

Monday, June 12, 1950

The house met at eleven o'clock.

PRIVILEGE

DR. FRANCIS SCOTT MACKENZIE—REFERENCE TO PHOTOGRAPH IN BRANTFORD "EXPOSITOR" OF JUNE 10

Mr. D. F. Brown (Essex West): On a question of personal privilege, Mr. Speaker, I have before me the Brantford *Expositor* of June 10, 1950, which has on the front page a photograph and under it an article, under the caption of the Canadian Press, dealing with Dr. Francis Scott MacKenzie, moderator of the seventy-sixth general assembly of the Presbyterian Church of Canada. In all fairness to Dr. MacKenzie, and not wishing to defame him at all, I think it should be clearly understood that the photograph is not that of Dr. MacKenzie but of myself.

WHEAT

REFERENCE TO REPORT IN WINNIPEG "FREE PRESS" OF JUNE 8

Mr. J. A. Ross (Souris): On a matter of privilege, Mr. Speaker, I have before me the Winnipeg *Free Press* of Thursday, June 8, in which there is an article headed: "The wheat agreement—Mr. Howe's explanations"; and the last paragraph of that article, in the third column, reads as follows:

> It is a matter of record in and out of parliament that the Conservative and C.C.F. parties were just as blind as the Liberal party to the weakness of the wheat agreement. Both the Conservative and C.C.F. parties have voted for this agreement on every occasion when it has been put to the test. . . .

That is not true, Mr. Speaker. The United Kingdom-Canada wheat agreement as such has never been voted on in this House of Commons. The agreement was sanctioned by order in council, under extension of the War Measures Act, in July, 1946. As reported at page 4833 of *Hansard* of August 15, 1946, I said, with respect to the present Canadian-British wheat agreement: "I am absolutely opposed to it." I stated my reasons, and quoted a portion of the Winnipeg *Free Press* editorial of August 1, 1946. I trust that the *Free Press* will make the proper correction or explanation.

OFFICIAL SECRETS ACT

GOVERNMENT EMPLOYEES DISCHARGED OR RELEASED—RESTORATION TO ORDER PAPER OF QUESTION PASSED AS ORDER FOR RETURN

Hon. Stuart S. Garson (Minister of Justice): On June 5, a week ago today—*Hansard*, page 3172—in my absence in western Canada, a question which stood on the order paper in the name of the hon. member for Kamloops (Mr. Fulton) was by inadvertence passed as an order for return. The question read as follows:

> 1. In each department or branch of government or board or corporation set up by the government, how many employees, if any, have been discharged or been in any way released for reasons having to do with security?
> 2. What was the effective date in each such case?
> 3. What were the position and duties of each such employee at the time of his discharge or release?

I discussed this matter earlier this morning with the hon. member. On the basis of that discussion I should like to move that the order for return be rescinded and that the question be restored to the order paper, and I shall answer it later when the questions on the order paper are dealt with.

Mr. E. D. Fulton (Kamloops): I understand that the minister is making a motion that my question be restored to the order paper. In the light of the earlier discussion, may I say a word? I should like to confirm what the minister has said, that I have no objection to the course he suggests being followed, on the understanding that the question will be answered today.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 270, for the relief of Joseph Lucien Andre Bergeron.—Mr. Winkler.

Bill No. 271, for the relief of Thelma Leggo Chicoine.—Mr. Winkler.

Bill No. 272, for the relief of Anna Kathleen Olga McCone Shaw.—Mr. Winkler.

Bill No. 273, for the relief of Martin Luke Marlow.—Mr. Winkler.

Bill No. 274, for the relief of Helena Wilhelmina Thornburg Lawton.—Mr. Winkler.

Bill No. 275, for the relief of Bonnie Ruth McNab Sarrasin.—Mr. Winkler.

Private Bills—Divorce

Bill No. 276, for the relief of Lyndia Betsy Mayes Bernier.—Mr. Winkler.

Bill No. 277, for the relief of Sarah Modlinsky Markis.—Mr. Winkler.

Bill No. 278, for the relief of Anna Patiris Sarakinis.—Mr. Winkler.

Bill No. 279, for the relief of Julia Ann Ramsell Blane.—Mr. Winkler.

Bill No. 280, for the relief of Cyrile-Orance-Horence Presseau.—Mr. Winkler.

Bill No. 281, for the relief of Paul Edmond Meerte.—Mr. Winkler.

Bill No. 282, for the relief of Charles George Storey.—Mr. Winkler.

Bill No. 283, for ther relief of Mary Muriel Inez Larman Jarry.—Mr. Winkler.

Bill No. 284, for the relief of Mary Zilda Alix Runice.—Mr. Winkler.

Bill No. 285, for the relief of Aili Esteri Kankaanpaa Toebben.—Mr. Winkler.

Bill No. 286, for the relief of Pierre Bouchard.—Mr. Winkler.

Bill No. 287, for the relief of William Aubrey Ricardo Aird.—Mr. Winkler.

Bill No. 288, for the relief of Marguerite Carmen Samson Wrigglesworth.—Mr. Winkler.

Bill No. 289, for the relief of Andrew Cerat.—Mr. Winkler.

Bill No. 290, for the relief of Marie Lucille Giselle Roy Veilleux.—Mr. Winkler.

Bill No. 291, for the relief of Mable Pearl Speirs Lazor.—Mr. Winkler.

Bill No. 292, for the relief of Lena Grace Connolly Hibberd.—Mr. Winkler.

Bill No. 293, for the relief of Lilian Ferguson Gardner.—Mr. Winkler.

Bill No. 294, for the relief of Marion Leonard Ryan.—Mr. Winkler.

Bill No. 295, for the relief of Joseph Georges Neville Poirier.—Mr. Winkler.

Bill No. 296, for the relief of Marie Gisele St. Laurent Therrien.—Mr. Winkler.

Bill No. 297, for the relief of Norah Nichol Meighen Allan.—Mr. Winkler.

Bill No. 298, for the relief of Dora Eleanor Chalmers Grisley.—Mr. Winkler.

Bill No. 299, for the relief of Ruth Desiree Morrissette Chevalier.—Mr. Winkler.

Bill No. 300, for the relief of Richard Martello Johnston.—Mr. Winkler.

Bill No. 301, for the relief of Ernest Beliveau.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

C.G.S. "ALBERNI"

Mr. MacInnis:

1. Is the C.G.S. *Alberni*, Department of Transport lighthouse tender, operating on the Pacific coast?

[Mr. Fulton.]

2. Did this vessel while on duty in Queen Charlotte sound in June, 1949, spring a leak or get into some other marine difficulty with danger of sinking?

3. Is this vessel equipped with a radio transmitter?

4. If so, did the radio equipment on this vessel go out of operation shortly after the first distress signal was sent out?

5. Does the C.G.S. *Alberni* carry an emergency dynamo?

6. If so, was this dynamo in working condition when the vessel got into difficulties?

7. Is the emergency equipment kept in working condition constantly?

8. How many of a crew does the C.G.S. *Alberni* carry?

Mr. Chevrier:

1. Yes.

2. Yes.

3. Yes.

4. No. The main transmitter was rendered inoperative owing to the temporary shutting down of the ship's generator. The radiotelephone transmitter operating from batteries was serviceable and was used to communicate particulars of the casualty until the ship's electrical supply was re-established, after which both radiotelegraph and radiotelephone facilities were available.

5. No. The C.G.S. *Alberni* carries two working dynamos. Emergency communications are taken care of by battery.

6. See answer to No. 5.

7. Yes.

8. Twenty-eight.

WOODSTOCK, N.B., POST OFFICE BUILDING—D. R. BISHOP

Mr. Knowles:

1. Did Mr. T. S. Hunter, district architect of the Department of Public Works, recently (between May 1 and May 18, 1950) visit Woodstock, New Brunswick, for the purpose of investigating possible sites for a new post office building in the town of Woodstock?

2. Did Mr. Hunter confer with Mr. D. R. Bishop?

3. If so, did such conference relate to the possible site for a new post office building in Woodstock?

4. Who is Mr. D. R. Bishop and what official position, if any, does he hold in relation to federal government matters?

5. Has Mr. D. R. Bishop been a candidate in any federal election campaign for the electoral district of Victoria-Carleton? If so, for what party?

6. Does he have anything to do with federal government patronage in or for the electoral district of Victoria-Carleton?

7. If so, is the patronage he handles restricted to matters relating to the Post Office Department and the selecting of sites for post office and customs buildings, etc., or does he handle patronage for other federal government departments, and if so what departments?

Mr. Fournier (Hull):

1. Yes.

2. Yes.

3. Yes.

4, 5, 6 and 7. Not known.

BONAVENTURE, QUE., BREAKWATER

Mr. Courtemanche:

1. Was any work done by the Department of Public Works in the construction of a breakwater in Bonaventure parish, county of Bonaventure, Quebec, during December and January last?

2. If so, what was the cost of same?

3. What is the name of the foreman?

4. What salary did he receive?

Mr. Fournier (Hull):

1. No.

2, 3 and 4. See answer to No. 1.

DOMINION STEEL AND COAL CORPORATION—MACHINE SHOP AT GLACE BAY, N. S.

Mr. Gillis:

1. Was government assistance given the Dominion Steel and Coal Corporation for the purpose of expanding the machine shop of that corporation at Glace Bay, Nova Scotia?

2. If so, in what amount?

Mr. McIlraith:

1. No.

2. Not applicable.

VETERANS AFFAIRS BUILDING, OTTAWA

Mr. Macdonnell (Greenwood):

With regard to the demolition and general excavation work for the east office building for the Department of Veterans Affairs, Wellington street, Ottawa, bids received May 11, 1949:

1. To whom was the contract awarded, and what was the amount of the tender?

2. (a) How much has been paid to the successful tenderer; (b) how much, if any, still remains to be paid?

Mr. Fournier (Hull):

1. Taggart Construction Limited, 588 Sussex street, Ottawa, $159,000. 2. (a) $164,940.09; (b) nil.

OMEMEE AND OAKWOOD, ONT., POST OFFICES

Mr. Hodgson:

What was the revenue of the post office (a) at Omemee, Ontario; (b) at Oakwood, Ontario, during each of the years 1948 and 1949?

Mr. Rinfret: (a) 1948, $3,365.08; 1949, $3,522.20.

(b) 1948, $2,261.08; 1949, $2,199.40.

GANDER, NFLD., AIRPORT

Mr: Higgins:

1. Have arrangements been made to increase the length of the runways at Gander airport?

2. If so, when will the work be started?

Mr. Chevrier:

1. No.

2. See answer to No. 1.

DOMINION STEEL AND COAL CORPORATION—BORROWINGS FROM FEDERAL GOVERNMENT—PLANS FOR EXPANSION

Mr. Gillis:

1. Did the Dominion Steel and Coal Corporation borrow money under the provisions of Bill No. 217, an act to assist the producers of coal in the Atlantic maritime provinces in the year 1949 and to date in 1950?

2. If so, what amount and for what purpose?

3. What steps are taken by the government to see that the purpose for which the money was borrowed is carried out?

4. Has the Dominion Steel and Coal Corporation submitted any plans to the government or the dominion coal board for the purpose of (a) expanding the steel industry; (b) expanding the coal industry?

Mr. McIlraith:

1. No.

2. See answer to No. 1.

3. See answer to No. 1.

4. (a) No; (b) Yes; the Dominion Steel and Coal Corporation did submit plans to the dominion coal board with respect to the mechanization of its mines in connection with their application for a substantial loan, the negotiation of which has not yet been completed.

MANITOBA FLOODS—HOUSES OWNED AND SOLD BY CENTRAL MORTGAGE AND HOUSING

Mr. Bryce:

1. How many houses does the Central Mortgage and Housing Corporation own in the flooded areas of Manitoba?

2. How many houses have been sold by the Central Mortgage and Housing Corporation in the flooded areas of Manitoba and (a) are fully paid for; (b) have a balance still owing?

Mr. Prudham:

1. 631.

2. (a) Nil; (b) 28.

OFFICIAL SECRETS ACT—SCREENING OF EMPLOYEES—PERSONNEL DISCHARGED OR RELEASED

Mr. Fulton:

1. In each department or branch of government or board or corporation set up by the government, how many employees, if any, have been discharged or been in any way released for reasons having to do with security?

2. What was the effective date in each such case?

3. What were the position and duties of each such employee at the time of his discharge or release?

Mr. Garson: I think I should answer now this question of the hon. member for Kamloops, which had earlier been passed as an order for return but has now been restored to the order paper. The hon. member's question should be considered in relation to

two other sets of questions standing in his name on today's order paper as Nos. 9 and 10, as follows:

1. In each department or branch of government or board or corporation set up by the government, on what date respectively was any security screening first completed?
2. Are there any such departments, branches, boards or corporations where no such screening has taken place? If so, what were the reasons?
1. What were the positions in the national research council held at the time of their discharge by the two employees who were discharged for security reasons in March of 1946?
2. What was the nature of their respective duties in these positions?

These questions all have to do with what has been referred to as screening of civil service personnel for security reasons, and I think it is desirable that I should answer them orally, all at the same time, in the following terms:

Those who serve the state should be loyal to the state. The loyalty of civil servants is expected by the government of Canada as a routine condition precedent to their employment. The responsibility for ensuring that civil service employees are loyal rests upon the head of each department or agency, usually the deputy minister. It also rests in part upon the civil service commission. The departmental head and the civil service commission is each expected to take such steps as may be considered necessary to make sure that this responsibility is properly discharged.

Mr. Harris (Danforth): All of them.

Mr. Garson: To this end a minister or deputy minister, where he considers it necessary, may refer to the Royal Canadian Mounted Police for a report on any civil servant doing work in connection with which it is necessary that there should be no doubt whatever as to the civil servant's loyalty. When the names of such civil servants are referred to the Royal Canadian Mounted Police, a check is made and the information thereby secured is reported back to the deputy head of the department concerned. In this report the mounted police do not in any case express any opinion as to whether a given civil servant should be retained in employment, or should be discharged. They provide merely a factual report concerning the civil servant reported upon; and it is the head of the department who decides whether, upon the basis of the Royal Canadian Mounted Police report or otherwise, the civil servant in question should be retained in employment or discharged.

The standard by which the loyalty of a given civil servant is judged depends in an important measure upon the degree of trustworthiness which is required in the work which he is doing. In some cases entire departments have been designated by the cabinet as vulnerable departments which require from the civil servants operating them a special degree of trustworthiness. In other cases sections or branches of departments dealing with secret matters have been declared as vulnerable. In still other cases, departments or branches of departments which had not been dealing with secret work previously are declared vulnerable upon being given secret work to do.

The civil servants employed in vulnerable branches or departments must have such a high degree of trustworthiness as to be beyond any doubt whatever. The government cannot wait for actual cases of espionage or sabotage or other offences to take place; the government cannot safely employ or continue to employ in secret or unusually confidential work persons about whose trustworthiness there is any doubt whatever. Thus, in considering the report from the Royal Canadian Mounted Police, and data from other sources, the head of a vulnerable department must resolve all doubts, even the slightest, in favour of the government. He should therefore refuse to continue in employment to do secret or confidential work any person concerning whom doubt exists.

This being so, it would be most unfair to the civil servant whose trustworthiness is perhaps no more than in some slight doubt that in addition to refusing to continue his employment, the government should, without proof, brand him as an untrustworthy person. The government considers that it would be quite unwarranted in taking any overt action which would injure such person's reputation or interfere with his chances of alternative employment in positions not of the same secret and confidential character.

The two employees of the national research council—and I am referring now to question No. 10 on today's order paper—who were discharged for security reasons in March of 1946, were two who, having been mentioned in the report of the royal commission on espionage, had been convicted of offences under the Official Secrets Act. Therefore the government had no objection to disclosing information concerning them in reply to a question by the hon. member for Kamloops on May 22, 1950, and will answer in due course the question No. 10 on today's order paper, in the name of the hon. member for Kamloops.

In connection, however, with each of the other civil servants who have been released for security reasons, the government feels it would be unjust to disclose the information sought by the hon. member's question with regard to the date of discharge and the position and

duties of such civil servants at the time of their release. Such information would in almost all cases disclose their identity.

It will be seen, moreover, from the foregoing that the security responsibilities of the departmental head and of the civil service commission are such that the checking or screening of all government employees in the Canadian civil service, with or without the assistance of factual reports from the Royal Canadian Mounted Police, is a process which never ends and which, therefore, is never complete as of any certain date.

Mr. Fulton: Mr. Speaker, I realize that answers to questions are not debatable, but perhaps Your Honour will permit me to make two or three observations to indicate my point of view.

Some hon. Members: No.

Mr. Speaker: Order. I think it is improper at this time to debate the answer to a question. The hon. member may have an opportunity later.

Mr. Fulton: I should like to ask the minister two questions. First, does he not feel it would be possible to give some factual information as to the number of persons affected, without disclosing their positions? Second, will he give a full opportunity to discuss this matter, despite the fact that other departments are involved, when the estimates of his department are under consideration?

Mr. Garson: It goes without saying that even if I were disposed to do so, there is no way in which I could refuse to discuss this matter when the estimates of the Department of Justice are being considered. However, I have no desire not to discuss it; on the contrary we shall be delighted to do so.

With regard to the second question, I would prefer not to answer a hypothetical question of that kind. What we have done this morning is to answer a question on the order paper. If my hon. friend has any further questions, and will put them on the order paper, we shall endeavour to answer them as they come.

Mr. Fulton: On a question of privilege, Mr. Speaker, I would point out that my question has not been answered, because it contains a separate part asking information merely as to the number that might have been released, quite distinct from the part touching upon the positions they held. I am asking whether the minister could not give that information in reply to the question on the order paper.

Mr. Coldwell: In view of the statement made by the minister, and the fact that the Royal Canadian Mounted Police make a report to the officials, has consideration been given to allowing accused persons the right to appeal to some committee which would review each case?

Mr. Speaker: Order. I think that is scarcely a supplementary question. Perhaps the hon. member would withhold it until the minister's estimates are being considered.

Mr. Coldwell: I have no objection to that.

Mr. Harris (Danforth): I should like to make one or two observations on a question of privilege. It is pretty nearly time in this most highly civilized country that the significance of the remarks of the Minister of Justice should penetrate into the minds of the Canadian people. Nowhere else in civilization is there an opportunity to live as we live. I am asking the House of Commons this day to respect and honour the observations of the Minister of Justice.

Mr. McIlraith: Supplementing the answer given by the Minister of Justice, I should like to give the answer to question No. 10, standing in the name of the hon. member for Kamloops.

Mr. Fulton:

1. What were the positions in the national research council held at the time of their discharge by the two employees who were discharged for security reasons in March of 1946?

2. What was the nature of their respective duties in these positions?

Mr. McIlraith:

1. Junior research engineer and assistant research engineer respectively, in the electrical engineering and radio branch.

2. Both worked under supervision on the development of radar equipment.

Mr. Fulton: On a question of privilege, may I point out that I have already drawn the attention of the Minister of Justice to the fact that certain factual information is not contained in the general terms of his reply, and, as that information has not been given, I suggest, with respect, that the questions have not been answered.

Mr. Speaker: Order. The questions may not have been answered to the satisfaction of the hon. member for Kamloops, but I must declare that they have been answered.

QUESTION PASSED AS ORDER FOR RETURN

DIVERSION OF WATERS OF MISSOURI RIVER NEAR KANSAS CITY

Mr. Knowles:

1. Has any department of the government any reports or detailed information with reference to

the construction and maintenance of the by-pass which was built to carry part of the waters of the Missouri river around Kansas City?

2. If so, what department has the same, and what are the titles of any such reports or documents?

MOTIONS FOR PAPERS

TRANS-CANADA HIGHWAY—BRITISH COLUMBIA

Mr. Goode:

For a copy of all letters, correspondence, maps and other documents from January 1, 1949, to date, exchanged between the dominion government and the province of British Columbia, dealing with the trans-Canada highway.

Mr. Prudham: On behalf of the Minister of Resources and Development I should like to say that there is no objection to producing the maps, letters and correspondence asked for, when approval has been received from the province of British Columbia.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the remarks of the parliamentary assistant?

Motion agreed to.

WARTIME LEASEHOLD REGULATIONS—MRS. BESSIE ELLIS-REID

Mr. Diefenbaker:

For a copy of the record of the conviction and evidence taken at the trial of Mrs. Bessie Ellis-Reid of Ottawa on two charges laid under the provisions of the wartime leasehold regulations and prosecuted by the enforcement branch of the wartime prices and trade board under complaint dated 29th of March, 1950.

Mr. Abbott: There is no objection to this order passing, but I am informed that by agreement between the parties no written evidence was taken in this case. However, the order can pass for the rest of it.

The hon. member asked for the costs in the two cases referred to. In one case the costs were $36.20, and in the other, $39.10, a total of $75.30.

Mr. Speaker: Carried.

CANADIAN NATIONAL RAILWAYS

SLIDE DETECTOR FENCES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Transport when I may expect a reply to a question standing in my name which has been on the order paper since May 16, and which asks merely for factual information which I presume would be readily available. I certainly would appreciate it if the minister could expedite the answer.

Hon. Lionel Chevrier (Minister of Transport): All questions that have to do with Canadian National Railways must of necessity be referred to them. I must inform the hon. gentleman that notwithstanding certain representations which I have made that answers be not unduly delayed, I have not yet the answers. I shall ask them to hurry the matter.

OFFICIAL SECRETS ACT

INQUIRY AS TO AMENDMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): On June 7, as reported on page 3305 of *Hansard*, I asked the following question:

In the absence of the Prime Minister (Mr. St. Laurent) and the Minister of Justice (Mr. Garson) I should like to ask the Acting Prime Minister if the government has yet reached a decision with reference to the suggested introduction of an amendment at this session to the Official Secrets Act.

To this the Acting Prime Minister replied:

I am unable to answer that question. I will make inquiries and answer it tomorrow.

I wonder if the Prime Minister or the Minister of Justice can answer that question now?

Hon. Stuart S. Garson (Minister of Justice): I may inform my hon. friend that a draft bill is in the possession of my deputy for consideration by him and by myself at the first opportunity. It will then go before the cabinet and, if approved, will be introduced in due course.

BACON

PRICE SUPPORT—AMOUNT PURCHASED UNDER UNITED KINGDOM-CANADA AGREEMENT

On the orders of the day:

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, on Friday last I asked two questions of the Minister of Agriculture, and in view of his absence on that day I suggested that they be taken as notice to be answered as soon as possible. Is the minister going to answer those questions today?

Right Hon. J. G. Gardiner (Minister of Agriculture): The first question asked by the hon. gentleman was this:

Has any decision been made with reference to the continuation of the price support program for bacon after July 1, 1950?

The second question was:

How much bacon has been purchased to date by the board for the purpose of filling the requirements of the Anglo-Canadian bacon agreement?

With regard to the first question, may I say that I have read the statement which was issued on January 3 and I am not at all certain that any further announcement is

necessary. I am having the matter looked into, and if a further announcement is necessary it will be made.

With regard to the second question, the figure as to marketings of hogs from January 1 to June 3, 1949, was 1,785,003, and for 1950, 2,196,081. Shipments of bacon on contract for 1949 were 16,906,075 pounds, and for 1950, 12,625,944 pounds. It will be noticed that the marketings are higher in 1950 and the shipments to Great Britain are lower.

Mr. Charlton: On a question of privilege, I did not ask for the 1949 figure. I asked for the 1950 figure, and my question of privilege is this: On June 9 of this year there was an article in the newspapers saying that the support of bacon price may continue after July, and that that information had been given out on that day by an informed official.

Mr. Gardiner: I see these articles in the press from time to time about what informed officials have said, but I have not been able yet to find the well informed official who gave that statement.

FLOOD CONDITIONS

SOUTHERN MANITOBA—REMEDIAL MEASURES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Prime Minister to give consideration to a question of mine which is No. 25 on today's order paper, and which refers simply to a communication from the council of the city of Winnipeg with respect to the flood situation. I hope it can be answered soon. The question was placed on the order paper on June 2. On that day I had thought of asking it on the orders of the day, but I put it on the order paper so that it might be looked into more carefully. It has been there now for ten days. I should like to have an answer as soon as possible.

Right Hon. L. S. St. Laurent (Prime Minister): I shall seek from the proper quarters the information asked for in the question, and endeavour to have an answer given soon.

IRON ORE

INQUIRY AS TO SALES FROM NEWFOUNDLAND

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to ask the Minister of Trade and Commerce if he is in position to make a statement with respect to the sale of iron ore from Newfoundland.

Right Hon. C. D. Howe (Minister of Trade and Commerce): No, sir.

FOREIGN INSURANCE COMPANIES ACT

AMENDMENTS TO CHAPTER 47, STATUTES OF 1932

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 268, to amend the Foreign Insurance Companies Act, 1932.

He said: As the house is already aware, this bill and the companion bill to amend the Canadian and British Insurance Companies Act were passed in the other place. Since the original insurance acts were passed in 1868 they have necessarily had to be revised from time to time, and the last substantial revision was in 1932. While there have been certain amendments made since that time, the acts have stood substantially unchanged.

Several desirable amendments have been accumulating for a good many years, including especially a revision of the investment provisions in order to bring them up to date. The purpose of this bill, and of the companion bill, is to bring the acts into closer conformity with current conditions and to remove certain anomalies in the treatment of Canadian companies as compared with the treatment of British and foreign companies.

The bills were prepared in collaboration with the superintendent of insurance, and it would be my intention after second reading is approved to have them referred to the banking and commerce committee in order that the clauses may be given detailed consideration and the superintendent of insurance may be available to explain the different provisions. I think I should say that there are no amendments of great moment; none that will arouse any particular controversy.

The investment provisions have been amended to bring these acts, as I have said, into line with modern conditions. I do not know that I need to go into the changes in detail. They include such things as authorizing investment in equipment trust certificates, which have become a common vehicle for railway financing. Provision is also made for investment in revenue producing real estate which is subject to lease—in other words, the lease option agreements with which hon. members of the house are familiar, and which have become extremely popular in recent years, both here and in the United States. Since it is a relatively new departure under the Insurance Act, the amount which can be invested under that category is limited to five per cent.

Then there are some changes in connection with the qualifications for investment in common shares. The criterion at present is

that investment may be made, within the limitation provided under the act, in the common shares of any corporation that has in each of the seven years preceding the date of investment paid dividends of at least four per cent of the par value, or $4 per share if the shares have no par value. It is proposed that in place of the $4 test for shares of no par value, the dividends in each of the seven years must have been equal to at least four per cent of the average value at which the shares were carried in the capital stock account of the corporation. That is an illustration of the type of change provided to bring the legislation in line with modern conditions.

The other important change in connection with the investment provisions is that what is known as the amortization principle will be allowed in connection with the bonds of the dominion, any province of Canada, the United Kingdom, or the United States of America. At the present time, as the house is aware, all insurance companies registered under the act are required to take their securities into account at market values in the annual statement deposited with the department. In practice, however, Canadian companies have been taking them into account at the market values or book values, whichever was lower, and since this is a conservative practice it has been encouraged. It is now proposed that life insurance companies be permitted to carry securities issued by the government of Canada or of any province of Canada, or of the United States or the United Kingdom, at values not exceeding the "amortized" values, that is, values calculated mathematically having regard to the purchase price, the actual interest payments, the date of maturity, and the amount to be received at maturity. I think that basis is used in almost all of the states of the United States.

Then there are other provisions, such as a clause which would permit a company to reduce the par value of the shares below $100 if desired. The house will recall that in the last revision of the Bank Act an amendment was introduced permitting the shares of banks to be reduced to not less than $10. There will be a similar provision in the insurance companies act.

There are a number of other provisions of perhaps no general significance. They are technical in some cases, although important for the efficient administration of these companies.

As I say, the bill will be referred to the standing committee on banking and commerce, and in that committee detailed consideration can be given to the provisions to which I have referred.

[Mr. Abbott.]

Mr. J. M. Macdonnell (Greenwood): I only want to say that I welcome the minister's suggestion to send the bill to the banking and commerce committee. It seems to me we have there the double advantage of the presence of officials of the department and representatives of the insurance business.

I think the minister has given an adequate résumé of the reasons for the changes. It is to some extent a tidying up and consolidating process. There is perhaps one comment which might be made. I think one of the reasons for the changes, which are comparatively minor, is that our own companies found that United States companies were coming in here and were able to carry on business and to do certain things, which I am sure will carry the approval of the committee and of the house, which in fact it was not possible for our own companies to do.

I do not think it is necessary to say more. I welcome the statement that the bill is to be sent to the standing committee on banking and commerce. As the house is aware, it has already been before the other place, and I understand the work of the department was so satisfactory that the amendments made there were trifling in degree.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENTS TO CHAPTER 46, STATUTES OF 1932

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 269, to amend the Canadian and British Insurance Companies Act, 1932.

He said: As I indicated, this is a companion bill to the one we have just dealt with. Our insurance law is in two parts.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

DEFENCE SUPPLIES

PROVISION FOR PURCHASE OR ACQUISITION, STORING OF MATERIALS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill, cited as the Defence Supplies Act, to empower the Minister of Trade and Commerce to buy or otherwise acquire and deal with defence supplies; construct or otherwise acquire, projects; acquire, store and otherwise deal with material entering into the manufacture of defence supplies or the development, repair or maintenance of projects; arrange for the performance of commercial and professional services; require priority in delivery or construction and to

require persons who have received offers, fair and reasonable in his opinion, for supplies, projects or services to meet the requirements subject to an appeal to the exchequer court on the question of price; also to empower the minister to buy or otherwise acquire defence supplies and construct or carry out projects required by the Department of National Defence; also to empower the governor in council to appoint assistants to the minister and advisers and advisory boards and to fix their remuneration and expenses; with provision also for the approval by the governor in council of contracts except in emergent cases and where the sum involved does not exceed a certain specified amount.

He said: Mr. Speaker, the defence supplies bill to be based on this resolution will make new provision for the procurement of munitions and defence supplies. At present provision for procurement is made in the Department of Munitions and Supply Act, 1939, as amended to date. The existing statute was drafted at the outbreak of war, and revised in the light of experience and to meet changing war conditions. It well served its purpose, both during the war and after. It was, however, designed primarily to deal with a state of war and with the aftermath of war. We consider that the time is fitting to replace it with legislation which will be more closely suited to the conditions of the day.

Clearly this is no time to take any action that would hamper the defence of the country; for we are not free from the threat of aggression. Indeed we must devote much of our energies and our resources to deterring aggression. We must strengthen ourselves so we may be able to resist the aggressor and overcome him if we fail to deter him. Hence we have endeavoured to frame the legislation so that we shall not lessen our ability to provide for the needs of defence. We have aimed at retaining such powers, and no others, as will under present conditions safeguard the interests of defence in the field of procurement of supplies.

The bill grants the minister the general authority to procure defence supplies, to stockpile strategic materials, to construct defence projects, and to let contracts for shipbuilding and ship repairing for government departments. We consider that it is highly desirable to continue to vest in the minister the procurement authority for the requirements of the armed services. Our experience has shown that the method which we have adopted of centralizing defence purchasing in civilian hands is efficient and economical.

During the war we developed in the department of munitions and supply one of the best methods of procurement of any of the allied nations. We built up an extremely efficient civilian purchasing agency for the services. Many of the key personnel involved in these activities during the war carried on as employees of the Canadian Commercial Corporation, and we have been able to secure in peacetime much of the efficiency, economy of effort and concentration of purpose that we secured during the war. In the last fiscal year, the Canadian Commercial Corporation made purchases of over $200 million for the services, at a cost of less than one-half of one per cent.

The minister is also given the powers which may be necessary to enable defence contracts to be completed. I well realize how greatly we can rely on our own people and how little we need rely on mandatory powers. I have had a good deal to do in the past years with the industrial aspects of war and defence. Some of those years have been bitter and trying, but throughout them all we have been heartened by the ready co-operation that every section of Canada and every sector of Canadian life have given to the tasks that faced us. Nevertheless, even with the best good will and co-operation on all sides, circumstances may still arise where some mandatory powers are needed. A supplier may be unable to meet an essential defence need because of prior commitments at home or abroad. A contractor may be unable to make delivery, on schedule, of defence supplies because of conflicting requirements, domestic or foreign. Hence the bill grants the minister power to obtain a priority for defence contracts over other contracts, and power to ensure the delivery of materials essential to the production of defence supplies and to the completion of defence projects.

Before the minister enters into a contract, the approval of the governor in council must be obtained, except:

(a) where in the minister's opinion the contract must be executed immediately in the interests of defence;

(b) where the estimated expenditure does not exceed $15,000;

(c) where the estimated expenditure does not exceed $50,000 in cases where competitive tenders have been obtained and the lowest tender accepted.

The minister, however, shall report to the governor in council contracts involving more than $5,000 which have been entered into without the latter's approval.

The minister is granted authority to enter into contracts without calling for tenders as required under section 36 of the Public Works Act in four cases:

(1) Where the disclosure of the specifications would, in the opinion of the minister or of the Minister of National Defence, be prejudicial to the interests of defence.

(2) Where the supplies are to be acquired from, or the project executed by, a crown company. This provision is intended to extend to crown companies an exception already contained in the Public Works Act for works to be executed by government employees.

(3) Where the contract covers ships or ship repairs.

I shall deal for a moment with the special provisions relating to ships. The bill gives the minister authority to place contracts for shipbuilding and repairs to meet the requirements of the Department of National Defence and of other government departments. He is authorized to let such contracts to any shipyard specified by the governor in council. The purpose of these provisions for allocation is to ensure the continuance of shipbuilding facilities in Canada adequate to the needs of defence. In the last war tremendous demands were made on Canadian shipyards, and they met their task magnificently. If there should be another war, we can be sure that they would be again called upon to make a great contribution. Although we have undertaken what is an extensive shipbuilding program for defence, it does not utilize the full capacities of our yards. We consider it is therefore desirable that such shipbuilding as we are undertaking be allocated with the object of sustaining in Canada a nucleus of facilities strategically located. The bulk of such contracts would be placed to meet the requirements of the Department of National Defence.

There is in addition a comparatively small amount of shipbuilding for other departments, such as the Department of Public Works and the Department of Transport. It is considered practical that the minister be given authority to place such contracts so that the full benefit of allocation may be obtained. We intend to consult the Canadian maritime commission and to obtain the advice of the commission as to the yards in which contracts should be placed to best further our general objective.

The fourth case in which the provisions of the Public Works Act would not apply is when in the opinion of the governor in council the contracts should in the public interest be exempt from that act. This provision is designed to meet the situation that can arise in our defence works in remote areas. A contract is let to a contractor for works in the north. While he is at work new factors may enter into our defence planning. As a result we may find we need more buildings than we contracted for. The practical course is to come to terms with the contractor already at work and on location. Or again we may need to place a contract for a project which calls for very highly specialized technical knowledge where we have no choice of contractors. We would be able to cover these cases under this provision after the approval of the governor in council had been obtained.

Hon. members may be interested in a brief comparison between some of the main features of the bill and of the existing authority, the Department of Munitions and Supply Act.

The proposed bill relates to the same defence field as the present act; the definition of defence supplies is what is defined in the present act as "munitions of war" and "supplies". "Project" has the same meaning in the bill as in the act.

The provision which gives the minister the exclusive authority to procure for the Department of National Defence corresponds with the provisions in the present act.

The minister's powers respecting production and the delivery of supplies are a curtailment of his powers in the act. The power to compel manufacture of supplies or the construction of projects has been removed.

The bill does not grant the minister the authority to mobilize, control, and regulate any branch of trade or industry; or to issue orders, permits and licences; or the authority to do such things as the minister deems incidental to or expedient for the exercise of any of his powers.

The provision has been dropped which permitted the minister to exercise his powers without restriction or limitation by any other legislation. In the proposed bill the specific cases in which it is intended existing legislation should not restrict or limit him are set out.

The mandatory powers—that is, those dealing with priority and with delivery of supplies—are a considerable curtailment of the present powers in the act. The priority authority is effective only in respect of persons who actually contract to deliver defence supplies or to construct projects, and the powers relating to the delivery of supplies are effective only in respect of persons in the business of dealing in materials used for defence supplies or projects. There is a difference, too, in the terms and conditions. Under the present act the minister may specify such terms and conditions as he deems to be fair and reasonable, whereas in the bill delivery is to be at current market prices, which in case of dispute may be determined by the exchequer court.

Unlike the present act the bill does not authorize the minister to ascertain fair and reasonable cost and profit and to direct repayment of excess profit.

The bill also calls for the repeal of the Defence Purchases Act. In wartime we had

to set up in great haste to produce munitions and supplies which had never been made before in Canada. There was no fair way of determining in advance what the cost should be, and no time to negotiate. Legislation was enacted to control profits and to provide for the renegotiation of contracts. We then got on with the job, placed contracts and settled the financial outcome later, invoking where necessary the legislative authority. A few of the old contracts are still under examination, or are the subject of pending litigation. There is provision in the bill that in these cases the effect of the present act is preserved.

We consider that in the peacetime conditions of today the control which the government, as a purchaser, exercises over a contractor's profit should be the control which a buyer can exercise in the course of the negotiation and execution of a contract. On this subject I would underline that the proposed bill is designed to meet today's conditions. Emergency conditions would call for new legislation and for an approach to this and other questions in keeping with emergency conditions. As part of our general planning we have draft legislation in readiness for an emergency.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, this resolution raises a question which goes far beyond the mere carrying forward of the legislation which has been referred to by the Minister of Trade and Commerce (Mr. Howe). While it is, according to his statement, similar to the legislation known as the Department of Munitions and Supply Act, there are certain variations and certain curtailments which would appear to limit the mandatory authority of the minister in this case. It will not of course be possible to examine these details until the bill is before the house. Nevertheless in this resolution itself, there is sufficient before us now to enable us to consider the principle involved in declaring that it is expedient that such new legislation be introduced as has been described this morning by the minister.

On several occasions during the past year and a half—and I mention a year and a half because that period embraces the three times that the house has met—we have been informed that the procurement agency for the Department of National Defence is the Canadian Commercial Corporation. This does more, therefore, than merely give to the minister in peacetime powers similar to in many respects but less in others than those contained in the wartime Department of Munitions and Supply Act.

One of the questions which immediately arises is this. If the purchasing is to be taken from the Canadian Commercial Corporation, and if that device is not to be employed, why should this function be under the Minister of Trade and Commerce? Why should it not be under the Minister of National Defence himself in peacetime? We are not now talking so much about the individuals concerned as about the principle involved. Except in relation to matters that would normally come under such a broad and embracing department as the Department of Public Works, it has been the general practice for departments to deal with their own requirements. I think that this house should have a great deal more information before it approves in principle the declaration that it is expedient that there be introduced legislation with the wide powers contemplated in this resolution.

I think it is important to indicate the scope and effect of the resolution in peacetime. The resolution reads:

> That it is expedient to present a bill, cited as the Defence Supplies Act, to empower the Minister of Trade and Commerce to buy or otherwise acquire and deal with defence supplies; construct or otherwise acquire, projects; acquire, store and otherwise deal with material entering into the manufacture of defence supplies or the development, repair or maintenance of projects; arrange for the performance of commercial and professional services; require priority in delivery or construction and to require persons who have received offers, fair and reasonable in his opinion, for supplies, projects or services, to meet the requirements subject to an appeal to the exchequer court on the question of price; also to empower the minister to buy or otherwise acquire defence supplies and construct or carry out projects required by the Department of National Defence; also to empower the governor in council to appoint assistants to the minister and advisers and advisory boards and to fix their remuneration and expenses; with provision also for the approval by the governor in council of contracts except in emergent cases and where the sum involved does not exceed a certain specified amount.

If the wording of this resolution is to be interpreted in legislation, then without waiting for the bill we are being called upon to declare that it is expedient to turn over to the Minister of Trade and Commerce functions of parliament itself and transactions which will not be subject to the ordinary protection and restraints which over many years have been regarded as important for the protection both of government itself and of the use of the people's money.

There is the provision that the contracts are not to be subject to the requirement of calling for tenders in certain specified cases, four in number. The first of these is when the details are such that the disclosure of them would be regarded as contrary to the public interest. We have seen a great many surprising demonstrations of what is regarded as contrary to the public interest. Hon. members of this house—I am basing this statement on what I have read in

Hansard and elsewhere—were obviously reluctant to examine too strictly procedures which, as they stated from time to time, would not be acceptable in peacetime but which in the dreadful emergency of war they were prepared to approve with some concern and with some reservations.

The second specified case is that of this crown corporation which by its authority can deal in activities of this kind; the third is where the contract affects ship repairs and the preparation for the construction of ships; and the fourth, cases in which the government decides that it is contrary to the public interest that there should be any disclosure even of the existence of such a contract because of the danger of conveying to possible enemies knowledge of steps that were being taken; and also certain other cases illustrated by the minister in his remarks.

These are wide exceptions—so wide, in fact, that they would make it possible for the minister to deal in almost any case with projects of this kind without tenders being called for or there being taken those other steps which over long years of parliamentary practice in this country, in Great Britain and in other countries in which there is a similar parliamentary system, have been found to be essential in the public interest. Indeed they have been regarded as so essential that in the case of the Department of Public Works they are explicitly covered by statutory provision.

We are asked to declare that it is expedient that this legislation should replace the Canadian Commercial Corporation as the purchasing agency for the Department of National Defence. With whatever limitations and reservations the bill may contain when it is presented to us, substantially we are being asked to declare as a matter of principle that it is expedient to confer these extremely wide powers in peacetime upon the Minister of Trade and Commerce.

One of the things that must surely impress itself upon the mind of every hon. member, Mr. Speaker, is the difference between the sense of urgency which seems to be implicit in the presentation of this resolution at this time, and the lack of any sense of urgency which was implicit in the position taken by the Minister of National Defence in the discussion of his estimates and in his definite statement that there was nothing new to announce to us in regard to the plans for national defence. The two do not go hand in hand. Either the Minister of National Defence is not disclosing to us all the information in his possession, or there is no immediate need of this resolution and the bill which would follow it. If there is the need which is indicated by this legislation, then the government should insist that the Minister of National Defence come before us and make a statement as to what the circumstances are that require a revised attitude toward our whole defence problem.

One of the arguments which has not been made, but which could well be made if it has validity, is that the Minister of Trade and Commerce might have referred to the clear statement of the Secretary of State for External Affairs (Mr. Pearson) that an historic agreement was made in London a few weeks ago, by virtue of which it had been decided to determine which nation could best produce certain things, best build battleships or aircraft or guns or tanks; that the nation or nations which could best perform that task would be called upon to do the job and that the others would rely upon those nations to supply them.

The Minister of National Defence said something that was not suggested by any member of this house, namely, that the reference to this was an attempt to represent that there was a cleavage between the Minister of National Defence and the Secretary of State for External Affairs. If such a cleavage exists, it is only in the mind of the Minister of National Defence, or to his knowledge; but it certainly is not in the knowledge of any member of this house, because we have no knowledge yet of what the Minister of National Defence wants.

An hon. Member: He has not either.

Mr. Drew: I heard someone remark that he has not either, and I am inclined to think that is right.

Mr. Ross (Souris): It is quite evident.

Mr. Drew: It may well be that the Minister of Trade and Commerce thinks that he has not, and that is why he is presenting this resolution. Perhaps he is going to give the Minister of National Defence the same treatment that the Minister of Justice got.

Mr. Howe: This is his nasty day.

Mr. Drew: No. Whether we are judging a horse race or anything else, we have, after all, to try to study the form.

Mr. Howe: Don't let me interrupt you.

Mr. Drew: The Minister of National Defence was critical of any attempt to find out what issue was raised by this new principle so clearly stated by the Secretary of State for External Affairs a week ago today. I should like to refer to the words of the

Minister of National Defence, as reported at page 3457 of *Hansard* of Friday, June 9. He said, in reference to what I had been asking:

> But "Let us know what is needed," he said.

Referring to what I had said, he went on:

> And I ask, "Let us know what is needed, where, when, by whom, and with what?"

That is exactly what we were trying to find out. Under this new principle, what is needed, where, when, by whom, and with what? In view of the fact that the Minister of National Defence has told us that there are no changes which he has to announce affecting the general program during the coming year ending March 31 next, surely it is wise for us to ask the Minister of Trade and Commerce, and also perhaps to suggest that the Minister of National Defence ask the Minister of Trade and Commerce, in relation to this legislation: Let us know what is needed, where, when, by whom, and with what? We do not know. The Minister of National Defence indicates that he does not know. He explained to us that it was impossible for him to indicate even anything in the future when the bases of decisions have not yet been reached.

If the Minister of Trade and Commerce says to us: Yes, there is a crisis; these are dangerous days; we must prepare ourselves, I believe most hon. members would agree with that, would agree with measures which would expedite the general activities of this country in relation to every aspect of our defence measures—and obviously the preparation of defence material and the production of defence supplies are almost as vital, if not as vital, as the training of men. Perhaps in some ways it is more fundamental, because, until we have the defence equipment and the defence supplies, much of the training cannot be so carried out on a practical basis as to simulate that measure of realism which prepares men to go into battle if it should become necessary so to do. There certainly must be a measure of urgency indicated by the Minister of Trade and Commerce if the complementary activities are to be regarded as having the urgency which calls for a resolution of this kind. The minister has explained that whereas the act which this is to replace was for the purpose of dealing with an actual state of war, this deals with a period of peace, which nevertheless must be regarded as a period of emergency. He tells us that in this period of emergency circumstances may arise in which mandatory powers will be required. I suggest that if such mandatory powers are required, the simple course to follow is that which was followed in other emergencies—immediately to assemble this parliament so that it may give such mandatory powers as the emergency then apparent demands.

I find it difficult to agree, when the Minister of National Defence tells us that the London decisions presented situations that offer reasons for his projecting changes which a measure such as this would be intended to implement, that the House of Commons has any right in principle to say that it is expedient that these broad powers be conferred upon the Minister of Trade and Commerce.

After all, the house has retained, and the government has made it clear that it has retained, the authority to declare war. Most certainly emergencies far short of war might arise where it would be necessary to deal with such emergencies. It is the hope of each one of us that by recognizing emergencies as they appear, and dealing with them as such, peace may be preserved. I have no doubt the Minister of Trade and Commerce would tell us, and tell us sincerely, that in his opinion the granting of powers of this kind is part of a broad plan to do those things which are essential if we are to play our part in the effort to preserve peace.

In other words, the very name of the act, which abandons the earlier term related to war, does indicate that concept; and I am sure it is a concept of the broad situation in the world today that must meet with the approval of every member of the house. But these wide powers—and they are extremely wide—as explained by the Minister of Trade and Commerce are powers which to a very considerable extent once again would place a large segment of our industrial and other economy beyond the control of parliament, except by way of subsequent examination, and give to the Minister of Trade and Commerce and the government powers which could only reasonably be asked for in a time of war.

The minister has stated that certain mandatory authority will be continued, but he points out that such mandatory powers will be restrained to the extent that the minister does not have power to compel any industry to produce a particular thing. Nevertheless he can establish priorities; and each one of us with any knowledge of what took place during the war years and since knows perfectly well that from the practical standpoint the control of priorities has a mandatory effect upon industries concerned in the exercise of such authority.

The answer may be that these powers are to be exercised only in those cases where industries have voluntarily agreed to produce certain types of equipment or defence

supplies. But we all know that from the practical point of view the authority of government over industry today is such that few industries would at any time place themselves in a position where it would be necessary to use compulsion to have them carry out certain tasks. The very fact that these wide powers exist, particularly the power to enter into certain contracts which are not subject to the ordinary provisions of publicity under the four headings explained by the minister, indicates the extent to which a considerable segment of our industrial and other economy would once again come under this very general authority.

In any remarks I am making I am not suggesting that there is no emergency. On the contrary I was taken to task by the Minister of National Defence on Friday for seeking to emphasize the extent of the emergency. I do believe there is one. I believe there is an emergency which has been in no way admitted by the government in the statements made by the Minister of National Defence. The extent of that emergency is indicated by press dispatches such as this one from Washington on May 5:

> Defence and state departments of the United States have decided that western powers have at most four years to build up their combined military strength for defence against Russia.

If anything I would think that a generous estimate of the time factor involved. If that is so, then the proper sequence of events to deal with an emergency of that kind is for the Minister of National Defence or the Prime Minister to state to us what the effect of these London agreements really is, and to answer the very question posed by the Minister of National Defence: "Let us know what is needed, where, when, by whom and with what?" Let this parliament know, and then, having let this parliament know, present a resolution of this kind when the members have been informed of the extent of the emergency and of the way in which the emergency is to be met.

Of course most of us read this morning that this is not the business of the opposition. Most of us read this morning the remarkable speech made on Saturday by the Prime Minister, a speech remarkable in its childish arrogance, a speech which said in effect that the role of the opposition was simply to get up and say, "Please, Mr. Speaker, may I make a little suggestion?" and beyond that just to sit and learn. [*Inaudible interruption.*] Obviously, the Prime Minister, like some other hon. members whose voices are not loud enough for the reporter to hear, which is a pity—

Some hon. Members: Hear, hear.

Mr. Drew: Some of the voices that are heard indicate a measure of impatience and an unwillingness to discuss matters involving the very survival of this nation. [*Inaudible interruption.*] I do wish the reporter had heard that one, because I cannot imagine anything—I shall not repeat it—that more clearly indicates the intelligence of the member who used it. Without quoting it, I will repeat the word to him and say that it applies to everything he has done in this house.

Mr. Speaker: I think it is necessary that the Speaker should hear all the words that are used. If the word is on *Hansard* of course I shall know what it was. I did not hear the word, and I do not think many other members did.

Mr. Drew: A number of members around me heard it quite clearly, as I did, and as the member knows perfectly well, because he was speaking in this direction and not toward you, Mr. Speaker.

Mr. Speaker: If the word happens to be unparliamentary, I shall order it expunged from *Hansard*.

Mr. Drew: I shall tell hon. members the word afterwards.

An hon. Member: Let us have it.

Mr. Drew: I am mentioning this merely because it is of interest only to the hon. member who used it. These sounds are indicative of the thought behind the speech of the Prime Minister on Saturday. After less than three and a half months, great impatience is being shown that this parliament is still seeking to find out the business of many of the most important departments.

One reason why hon. members should be reluctant to pass this resolution is that it is intended to give wide powers of this kind without explanation either by the Prime Minister or the Minister of National Defence of some of the details of the emergency which calls for these wide powers. The powers which the same minister possessed on an earlier occasion should be placed under real control by this parliament without renewing other powers.

The Minister of Trade and Commerce has referred to the magnificent job of war production which was done by the people of this country. It was a magnificent job. The reason why tremendous production was carried out in the fields of industry, mining, agriculture and forestry was that the citizens, with great personal skill, both in management and in the technical aspects of these many problems, were ready to serve unselfishly in time of war.

The minister showed one quality which deserves a great deal of commendation in

that he gave authority to these men. May I say that the men who did these jobs were certainly not doing the jobs because of their political point of view, as their identity will indicate. When the minister did give jobs to these men, he delegated authority as well. That was a quality which had a great deal to do with the success of this effort. While questions may be raised about the way in which some of these things were handled, there is no doubt that that quality permitted those men to go ahead and perform the tasks that were allotted to them.

As a result of the wide powers conferred by the munitions and supply act a good deal of public property came under the control of the government which was not the kind of property a government ordinarily handles. The time is long overdue when parliament should reassert its authority and insist that the same standards of protection of public property and public funds be applied to the handling of properties acquired in this way as would apply to the handling of other properties by other departments of government.

We are not dealing with imaginary cases. We are dealing with a situation where many properties of considerable value have been disposed of by private negotiation without any notice to the public that they were being offered for sale. In some cases those properties had great value. In one case a property which had a stated value of $32 million, according to the figures supplied by the government itself, was disposed of by private negotiation and transaction without any of the ordinary notices being given that such property was for sale. In another case a mine in British Columbia was sold without any notice.

Mr. Howe: That is not true. That mine was advertised.

Mr. Drew: The official who explained that was not aware of it at the time.

Mr. Howe: I shall be glad to file the advertisement.

Mr. Drew: If that is so, it indicates the difficulty we have to face, because in the explanation given, that information was not available. If that mine was sold after due notice, we learn it only now, because the information was not previously given to us.

There are a number of other cases. We find, for example, that in the case of one crown corporation under the authority of the same minister—and in this instance the head of the corporation stated that it was done on the authority of the corporation itself—mining stock held by the Eldorado Corporation was disposed of by private transaction without public notice. The stock was sold last December at one cent a share without notice, and today it is being quoted as an unlisted stock at from 13 to 15 cents a share.

These are merely incidents which indicate the importance of bringing back under normal control and procedure the corporations and the properties which have been acquired. They also indicate that we should be most careful about passing a resolution that it is expedient that property which would be acquired under circumstances of this kind may be dealt with in a similar manner. The broad terms of the resolution would of course imply authority not only to acquire but to dispose of the same property. In the broadest possible terms the resolution places powers under the Minister of Trade and Commerce which can only be related to an emergency that has been stated to us in general terms but not in any definite way by the Minister of National Defence, who is the minister responsible for the preparation to which these activities would relate.

I repeat, Mr. Speaker, that if this emergency is such that it requires wide powers of this kind, let the Prime Minister or the Minister of National Defence answer the questions that were asked to the point where a number of members were expressing a great deal of impatience. Having given us that explanation, then let them say why it is necessary to create a new procurement agency instead of the one outlined in the last white paper of the Department of National Defence, which has been regarded as so satisfactory by the Minister of National Defence in any statements that he has made. I suggest also that the resolution involves something that would have a profound effect upon our whole economy in peacetime. It comes so close to the passing of legislation which can only be justified by a war emergency that I believe it should not be agreed to until the emergency can be stated explicitly by the Prime Minister or some other member of the government.

Furthermore, it should be remembered how wide the authority of the Minister of Trade and Commerce already is over some aspects of the economy of our country. By P.C. 5700 of December 8, 1948, the following were transferred to the Minister of Trade and Commerce: the atomic energy control board; Canadian Arsenals Limited; the dominion coal board; Eldorado Mining and Refining 1944 Limited; its subsidiary, Northern Transportation Company Limited; incentive bonus to industry; liquidation of contracts; the national research council; the Polymer Corporation Limited; research and development of jet engines and aircraft; subsidized production and transportation of

iron and steel; Trans-Canada Air Lines, and War Assets Corporation. One might almost go on and say, "all this and heaven too". Certainly if we give these wide powers or express our belief that it is expedient that these wide powers be conferred, without any clear declaration as to what the emergency is, we are giving emergency powers which can only be justified by an emergency which has not been defined.

Mr. M. J. Coldwell (Rosetown-Biggar): With the last remark of the leader of the opposition (Mr. Drew) I find myself in pretty substantial agreement. The resolution seems to visualize an emergency.

Mr. Howe: It is a peacetime bill.

Mr. Coldwell: The minister shakes his head, but let me say that I was here in March, 1939, when we had a prolonged discussion on a resolution and bill to set up a defence purchasing board. At the present time we have the Canadian Commercial Corporation, which, so far as the house is aware, has been doing a satisfactory job for the department concerned. Consequently the introduction of a resolution such as this seems to indicate a change in the point of view of the government with regard to the present international situation, a change which, from what I have been able to read, is not warranted.

By chance I was reading, in the British *Hansard* over the week end, the debate on the defence measures of the United Kingdom. Incidentally I found how different that debate was from the debate which has been proceeding in this house during the past week or so. From time to time the questions asked in this house, and even the answers given, have led me to believe that if I were an agent of the Soviet union all I would do would be to take the *Hansard* of this House of Commons and send it to Moscow. Indeed it appeared to me that the responsibility in the British house was such that some members were asking for a secret session in order that the kind of information asked for and given in this house during the last week or so could be obtained by the members of the parliament of the United Kingdom.

The resolution before the house differs substantially, and I think gravely, from the resolution preceding the bill of 1939 when there was an emergency foreshadowed. Hon. members will recall that just a few days before the introduction of that measure Hitler had broken his agreement, had overrun Czechoslovakia, was threatening Poland, and the people of Canada were gravely disturbed. The national defence purchasing board resolution read in part as follows:

> That it is expedient to introduce a measure to establish a defence purchasing board with exclusive power, subject to approval of the governor in council, to enter into all contracts for the purchase of munitions, equipment, materials and supplies required by the Department of National Defence in cases where the expenditure exceeds $5,000;—

Then I should like to draw the attention of the house to the following:

> —to provide safeguards to assure that such munitions, equipment, materials and supplies shall be purchased at a reasonable cost to the government and without unreasonable profit . . .

The bill subsequently introduced made good the outline given in this resolution. At that time the government was conscious of the fact that public opinion in this country was determined that if we were to engage in an armed conflict and required supplies for our men, those supplies should be provided at least without undue profit to those engaged in their manufacture. While that point of view has not been particularly vocal lately, I believe it still remains substantially the feeling of the Canadian people. Yet under this provision, and after our experience during the war, there is no assurance that this point of view will be recognized in dealing with the appropriations and purchases that may be necessary after this legislation is brought in. As a matter of fact I have before me *Hansard* for March 10, 1939, when the then minister of national defence, the late Right Hon. Ian Mackenzie, who introduced the resolution and the bill, went into this aspect of the question very thoroughly. At page 1764 he said:

> The bill that is to be submitted to this house consequent upon the adoption of the resolution I am now discussing provides that maximum profits upon defence contracts shall not exceed five per cent per annum on working capital actually utilized in the performance of the contract, and this is to be achieved by the simple, clear and definite process of taxing away the excess.

And at page 1767 he went on to say:

> The government, if I may speak for them, believe in the principle of equality of sacrifice; that in wartime men should not be required to offer their lives and limbs while those who provide the weapons of destruction have even the possibility of reaping undue profits.

After the outbreak of war the present Minister of Trade and Commerce, who was then the newly appointed minister of munitions and supply, made the statement that this five per cent limitation had been found unworkable; none the less the government shortly afterward introduced an excess profits tax in an attempt to prevent undue profits from being made during the war. Of course in my opinion—and we may hold and express different opinions in this matter—the minister

did a remarkable job during the war, a job that I believe did him great crédit which can never be taken away, no matter what may be said or thought in the future. In doing that job, however, and in cutting through the provisions laid down by parliament, Canadian business did acquire great properties and in that respect made enormous profits out of the war. I am not saying that was done deliberately, but it is a fact. When you examine the capital equipment of industry at the close of the war and for a year or two later, and the manner in which that capital equipment was obtained, you can only conclude that industry in this country did very well out of the war, as indeed was the case in the United States and other countries. But the right hon. gentleman who in 1939 introduced the defence purchasing legislation made it abundantly clear that the government and people of Canada did not expect that when men were called upon to risk their limbs and lives, undue profits would be made by industry. I have before me *Hansard* for September 12, 1939, where at page 179 the minister said, in reply to a question as to why we were not proceeding under that legislation:

> The provision of five per cent was put in the last act after a good deal of consideration as a minimum return for the service rendered. . . .

I think that word should have been "maximum".

Mr. Howe: Yes; maximum.

Mr. Coldwell: It is "minimum" in *Hansard*.

> . . . but it was one which men of considerable experience believed to be unworkable. I can say to my hon. friend that from that day to this the defence purchasing board has done its very best to place contracts on that basis and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis. To carry that provision into another bill would be out of the question at this time. That part of the act we can consider as having proven to be unworkable.

That was because of the immediate onset of war. While it may have been unworkable at that time, however, if we may take the assurance of the minister that there is no present emergency, we are now discussing this matter in a period of peace. That being so, while a similar provision may have proved unworkable because of the immediate impact of war, I believe we should consider how best we can limit the possibility of profits by munitions industries during this regrettable period of preparation.

I should say the first way in which we might limit the possibility of profit is by nationalizing the straight munitions industries of this country. Where the manufacture of armaments is the main or principal part of an industry, any possibility of profit should be removed by nationalizing that industry. If the present Minister of Trade and Commerce were in charge of the nationalized industry engaged in the manufacture of munitions and supplies I would have no hesitation in saying that a good job would be done. We saw what he did with the Polymer plant; we saw how he built up Trans-Canada Air Lines, and so on. So where there is a determination to do a job we know it is possible for a public authority or a public institution to do that job well.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. Coldwell: Before lunch, Mr. Speaker, I was discussing what I believe to be the fundamental difference between what is proposed now by the government in this resolution and the bill which was adopted in March, 1939, immediately prior to the outbreak of the second world war but of course before we knew absolutely that war was imminent. I was saying, as I say now, that the idea behind the defence purchasing board bill of 1939 was one to which I think this house should give quite serious attention. I do not intend to discuss the various clauses in that bill but when the new bill is before the house I think that hon. members might look into that previous bill and might also read the debate which preceded its introduction in 1939.

I was also saying before lunch that I think the people of Canada, though lately not vocal about it, believe that in the preparation for the defence of our country the motive of private gain should be eliminated to the greatest possible extent. In order to achieve that objective I suggest again that we should see to it that industries which are primarily engaged in the manufacture of munitions should be under national ownership and control. I am well aware of the fact that, should war occur, and in preparations for defence, there are many industries which can be converted into munition industries but which are not primarily and fundamentally munition industries. When such industries are engaged on defence contracts or in supplying war materials of every description, in our opinion their profits should be strictly scrutinized and indeed limited. The purchasing board which was set up in 1939 of course had the obligation of limiting profits to 5 per cent on the capital employed in the production of munitions. In looking over the address of the late Right Hon. Ian Mackenzie who

at that time was the Minister of National Defence, and from which I quoted to some extent this morning, I find that he said this:

> The government is determined that in peacetime, where private industry must be utilized, there shall be the strictest possible regulation of profit both in the interest of the taxpayer and in deference to public abhorrence of profits made from products which involve destruction of human lives and misery among nations.

That will be found at page 1767 of *Hansard* of March 10, 1939. I am sure that that is the opinion of the Canadian people at the present time.

The resolution before us does not foreshadow a bill in any respect resembling the bill that was before the house in 1939. When we look at the amount to be spent in 1939, namely $63 million, in warlike supplies and the amount to be spent now, and when we analyse the $425 million for defence appropriated this year, we realize how much more we are spending on the various types of equipment and on munitions, in the equipment of our forces, than we were spending in 1939. I of course regret, as I have always regretted, that the government at the end of the war saw fit to hand over to private industry many of the wartime industries that had been set up to make much of the equipment that was made so successfully during the war, and that today we are in many respects without the facilities owned by the people of Canada. To bring the industry again under public control would, and indeed I think should, require that we should repossess ourselves of these particular munition industries.

I do not propose to prolong the discussion at this stage. When the bill is before us I think that the house could go into the matter carefully. I want, however, to express the point of view that we in this party hold, that if we are going to build up defence forces for our country—and we must do so under the conditions that now exist—and if our men are to be properly equipped, I think they must be equipped without any section of the Canadian population, or indeed any population outside Canada, obtaining huge profits from the manufacture of the essential equipment for the defence of our country.

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to say just a word on this resolution, but it is not my intention to go over the points that have been brought before the house thus far by the leader of the opposition (Mr. Drew) and the leader of the C.C.F. party. I find myself quite surprised that the Minister of Trade and Commerce (Mr. Howe), for whom I have a high regard, would subject himself to the criticism that will be heaped upon him for bringing in a bill of this kind; I do not believe that it is coming to him. Although he has not told us the reasons why, it is evident that the present procurement agency, the Canadian Commercial Corporation, is not able to do a job efficiently in the purchase of defence supplies. That is implied in the minister's statement this morning, although he did not say so. What I should like the minister to do on rebuttal in this debate, if he sees fit, is to tell us if that is right, if the present Canadian Commercial Corporation is not able to do the job of purchasing defence supplies efficiently and well, and if so, in what respect it has not been able to do so.

The bill which is to be brought in, based on this resolution is, according to the minister, to replace the Defence Purchases Act. I think that is understandable, in the light of the fact that the old Defence Purchases Act was drafted hastily during a time of high pressure, and doubtless a good many improvements could be made in it. But I cannot quite square what the minister said this morning, namely, that this bill was not meant to meet emergency conditions. I think these are the words he used: "It is not meant to meet emergency conditions at all." He said that he had another piece of legislation ready if an emergency did arise. These things hardly square in my mind. It seems to me that it would take an emergency of some sort to induce the minister to bring in a bill naming himself and his department as the purchasing agent for defence material, rather than to allow the purchases to continue under the Canadian Commercial Corporation.

The Social Credit group, like the other two groups on this side of the house, are opposed to any corporation making undue profits out of the supply of war materials. We want to see a strict limit placed on the profits that can be made out of such industry. But at the same time we cannot feel that we can subscribe to the nationalization of all these industries which do contribute to the process of defence by supplying materials that are needed for our defence. I am satisfied in my own mind that because of the way industry is organized today it would be impossible for the people of Canada to own and operate such industries efficiently and well and without a great deal more cost than they have to bear now to supply the defence materials. I am all for having this done by private industry, but under the strictest possible kind of scrutiny and regulation in regard to profits.

I wish the minister would make it very clear to us why he feels that he must have mandatory powers at a time like this, unless he does see some sort of emergency. These

are questions which went through my mind, Mr. Speaker, and while, as I said, I do not wish to speak at any length at this stage, yet we are opposed to the idea of bringing in a bill of this kind unless it is to meet an emergency. We will await the minister's further statements before we take a definite position one way or the other, hoping that he will make it more clear to us, either in closing this debate or on the second reading of the bill, exactly why it is necessary to make the radical change that is being made.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have one or two brief observations. The first thing I want to say is that we should be very clear on just what this resolution forecasts. What we are really being asked to do is, to all intents and purposes, to restore the Department of Munitions and Supply Act. I am not overlooking the fact that the minister made some distinction between them, and was at some pains to indicate that the powers were not as great. But quite frankly to me that was most unconvincing. The minister can make a little power go a long way. If you give the minister the power contained in this resolution I suggest again that there is nothing he could not do. I was not sure that he nodded his head.

Mr. Howe: Not to your remarks.

Mr. Macdonnell (Greenwood): That raises the question whether now, in peacetime, which we admit is a kind of qualified peacetime, nevertheless in what is described as peacetime, we have to submit to these extraordinary powers.

I think it is undesirable that we should do so. Nobody will grudge these powers when it is perfectly clear that the emergency is on; and nobody has ever grudged praise to the minister for the way in which he exercised them in wartime. We are not quite sure, therefore, that we like the minister exercising so many powers in peacetime. I am not going to give a long recital, which would be as long as my arm, of the powers which he does exercise now. I think it is very hard to make people realize that unfortunately when danger is very great for those who live in free countries, when we are in the very act of defending our freedom, we may do things which so curtail it that we eventually find it has passed out of our control. That has happened, as we all know.

I just want to make this one point. The suggestion has already been made by the hon. member who spoke last. He says this very pertinently raises the question whether in fact it means that the Canadian Commercial Corporation has been a flop. I think it is a pertinent question, and I would put it in just a little different way. I say that before we can be asked, or should be asked, to give any such power as these we should know exactly what kind of difficulties are facing the minister at the moment. What are the things that cannot be done under the powers of the Canadian Commercial Corporation and the other authorities which do exist? Nothing has been said yet to indicate that. I am quite sure that I can speak not only for myself but for those in our own party that when we are satisfied that there is an emergency there will be nobody readier than we to concede the necessary powers. But at the present time it seems that this is just a measure to restore to the minister virtually all the war powers of the munitions and supply act.

I just make this one last observation. Power is a very pleasant thing. I have never had it, but I have known people who have had it, and I am sure they liked it. I am sure they could never get too much of it. Indeed, I will go so far as to say that they are quite able to convince themselves that power in their hands is a very desirable thing from the point of view of the country. I am quite sure they feel that way, and as time goes on they feel that way more and more. Therefore I just make this observation. To an extent which perhaps the minister does not even know himself this is a suggestion, these broad powers, which I consider will enable him to do anything that he wants to do. With respect to these broad powers, however pleasant they may be to him, however satisfied he may be that they will be exercised in the public interest, I think it is our duty to try to bring to the realization of this house, and I hope to the country, that every time unnecessary powers are handed to people they are themselves to that extent endangering the freedom that we talk so much about and often do so little about.

Mr. Howe: Mr. Speaker—

Mr. Speaker: There is no right of reply on this motion, unless with the unanimous consent of the house. I think it is customary for the minister to reply when the house goes into committee.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, Canada is relatively a small nation; certainly, it is in so far as her manpower resources are concerned. It seems to me that a deficiency in manpower can be made up by the utilization of our natural resources to the fullest possible measure, thereby providing a reserve which can be made available to ourselves and our allies in an emergency, in case any of those allies of ours should be attacked.

Therefore a ready-to-go mobilization plan would ensure that these natural resources would be available the instant an emergency arose. I think that during the past there has been a lack of direction on the part of the government to indicate where industrialists should concentrate their efforts in order that the resources of the country might be made available if and when an emergency arose.

Earlier this year the president of the industrial preparedness association made a nation-wide tour. Upon his return he reported that the industrialists in western Canada had complained bitterly that they had not received sufficient information to enable them to do the necessary planning so that, if necessary, they could convert their plants to a point where they would produce those things which would be essential for the supplying of warlike materials to ourselves and our allies. The importance of that planning has been enhanced by the recent decisions made in London within the last month, upon which occasion the means of forestalling the catastrophe of war were examined, and where the new scheme for the collective peace-securing force was initiated, rather than having all the allied powers working on their own and preparing their own limited defence forces.

We have been told also that during the conference great emphasis was placed upon not only the means of preventing war but ways to help in the recovery of Europe. It was urged that there should be collective economic planning so that the various states would be able to direct their resources in the most economical way and in the most effective manner to help in the general recovery.

As I said at the outset of my observations, in many respects Canada is a small country. We cannot spread our endeavours in too many different directions. It is going to be very much a matter of specializing. Therefore one comes back to the question asked last Friday by the leader of this party, "Let us know what is needed." I ask the Minister of Trade and Commerce (Mr. Howe) to give notice to the Minister of National Defence (Mr. Claxton) that the very first question he, the Minister of Trade and Commerce, must ask the Minister of National Defence is this: "Let us know what is needed." To that the Minister of National Defence can give a more effective answer than merely to say, "Let us know what is needed—where, when, by whom and with what."

There is not much use proceeding with this legislation—because it would not be very effective—until the Minister of Trade and Commerce can get those very definite answers. He must be told by the Minister of National Defence, and perhaps also by the Secretary of State for External Affairs, what is needed; because we cannot just go ahead producing everything and dissipating our efforts in that way. It will have to be specialized planning, and direction will be required. I do not think it is up to the Minister of Trade and Commerce to say what will be produced; he will be told what is required by the Department of National Defence. When the minister replies I would ask him to tell us the system of liaison which will be in operation between the Department of National Defence and the authority now being placed in the hands of the Minister of Trade and Commerce.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I wish to indicate here that I am opposed to the resolution. After listening to the remarks of the various speakers thus far I gather that practically all opposition members are opposed to it, although it may be that we will not oppose it by a formal vote at this stage, when we have not the details of the bill before us. I do think it is essential that we indicate to the minister that, from the terms of the resolution, our only conclusion can be that the legislation will fulfil our fears in that it will be legislation of the type that should be opposed.

My remarks will be confined chiefly to the fact that at present it appears the legislation contemplated by the resolution is entirely unnecessary. According to the statements made by responsible ministers on those occasions, the Canadian Commercial Corporation, a body which has been discussed on numerous occasions since 1945, was set up to do the very thing we are now asked in this resolution to empower the Minister of Trade and Commerce (Mr. Howe) to do exclusively, or with the assistance of such boards and advisers as he in his discretion may see fit to set up.

Remembering, as one can if he reads the debates of the past, the objections taken to the principles embodied in setting up the Canadian Commercial Corporation, and giving it the wide powers it now has, it surely must be obvious that those of us who held those views must be opposed to duplicating the work of that corporation by setting up further agencies and bodies and giving them the same overlapping and, in some cases, even wider powers than those allotted to the Canadian Commercial Corporation.

I should like to refer to the debates of the last few years so as to remind hon. members what it was intended to do when the Canadian Commercial Corporation was set up, and the powers which in fact were given

to it. On the basis of the statements made by the various ministers who outlined the purposes of that corporation, it appears perfectly clear that with proper direction, it can do all the things this new bill would hand over to the Minister of Trade and Commerce.

In 1947 when the amendment was before us to enlarge the powers of the Canadian Commercial Corporation the then member for Carleton, Mr. Boucher, had this to say as reported at page 4949 of *Hansard* for July 2, 1947:

> The amendment now before the house in effect asks the government to give to that company—

That is the Canadian Commercial Corporation.

> —the power to produce goods, to manufacture goods, to procure goods and to construct articles in Canada or elsewhere. By this amendment the scope of the activities of the Canadian Commercial Corporation is widened beyond anything comprehended in the original act. The amendment gives this crown company the power to do almost everything possible in the industrial, the economic and even the financial life of our country.

Those were some of the objections which we had at that time to the amendment to the Canadian Commercial Corporation Act, but it goes without saying that the government, having a majority in the house at that time, as they have at the present, saw no merit in our objection to the granting of the powers referred to in that amendment. We find that in the further discussions the powers of the corporation were more specifically defined by the ministers themselves. For instance, the Minister of National Defence (Mr. Claxton) is reported on page 4958 of the same day as saying:

> The Canadian Commercial Corporation was created, not only for the purposes of purchasing for the Department of National Defence, but for the other purposes that parliament or the government might provide for it.

Up to that time the purposes of the corporation had been fairly exclusively confined to purchasing for the department of defence, but the Minister of National Defence said that the government had in mind that the corporation might well have its powers enlarged and if it was found necessary to enlarge the scope of government purchasing to include matters not immediately connected with defence, such as the stockpiling of strategic materials or materials for construction and so on which might be needed in a war, the power to do that would be given to the Canadian Commercial Corporation. Incidentally, while we are discussing this question of the advisability or otherwise of giving wide powers to the minister without specific limitations, may I remind the house that we were told this morning by the Minister of Trade and Commerce that we know perfectly well that he will not use them in an improper manner.

Mr. Howe: I did not say that this morning.

Mr. Fulton: I beg the minister's pardon. I understood him to say that, but if he did not, I think he might well have said it. If he says that he did not, I accept his statement. But when we have pointed out the tremendous authority granted by different pieces of legislation to individual ministers we are told, "It is true that this authority and power is granted, but we are going to use it only for certain specific purposes which we have outlined and you need have no fear that it will be used for any other purpose." It is interesting to note that in the debate to which I have just referred, when the Minister of National Defence said that the Canadian Commercial Corporation was created, not only for the purposes of purchasing for the Department of National Defence, but for the other purposes that parliament or the government might provide for it, when we pointed out to him that the corporation had not been set up for the purpose of exercising those enlarged powers he went on to say:

> It may not have been made known when the corporation was set up by statute that that purpose was envisaged, because we had not reached that stage in the process of reconstruction; but that purpose was in mind at the time the corporation was set up.
>
> Mr. Fraser: Why was not parliament told?
>
> Mr. Claxton: Because the time had not come for parliament to be told.

That is the attitude taken with respect to these powers given to ministers or to various corporations or agencies of the government. We are told that they are set up for one purpose, that the powers will be used for that purpose only, but then a couple of years later, with an astonishing disregard for parliament and for what has been said earlier, we find that the powers are being used for different and wider purposes. When we ask why we were not told that when the corporation was set up the answer is given, "We do not think it was the time to tell you all those things when we set up the corporation."

I for one, and I know I am joined in this by many members, am very reluctant to give ministers or boards or corporations powers without there being the clearest limitation in the statutes upon the extent to which those powers will be exercised. I find no such limitation in this resolution and I cannot subscribe to a resolution which seems to confer such wide powers when it is not indicated that certain limitations will be set out in the bill itself.

We are left in the position of having the Canadian Commercial Corporation set up to exercise the powers which the Minister of

National Defence described in the debate to which I have just referred. Later in the course of that same debate the same minister described the advantages of using the Canadian Commercial Corporation, and I quote from pages 4974 and 4975 as follows:

> Under this bill the Canadian Commercial Corporation will be primarily responsible for obtaining tenders for contracts. In addition, there are other functions in connection with the procurement of munitions which are just as important and which, together with procurement, form part of the whole complex of industrial organization for war.

Which embraces the very things the minister is talking about and which are contemplated in this legislation. As I said a moment ago, the Canadian Commercial Corporation could be used for the purpose of stockpiling. The Minister of National Defence continued:

> There are four main aspects of that: standardization, industrial organization, inspection and procurement, and all must work very closely with research. We are setting up a series of agencies whereby the Department of National Defence, Canadian Arsenals Limited, the Department of Trade and Commerce through one agency or another, the defence research board, and industry, probably represented in part through such agencies as the Canadian Standards Association and the Royal Canadian Ordnance Corps Association, will all be linked into co-operating groups which will enable industry to know what is likely to be expected both in peacetime and in the event of an emergency, and which will enable the Canadian Commercial Corporation to know where it can get the materials, and which will enable the Department of National Defence to know that it can get the equipment and materials which are needed either in peacetime or in war.

That is the set-up which was envisaged and which presumably has been put into effect for the Canadian Commercial Corporation, and is the actual set-up which is envisaged by this resolution. Unless we are told that the Canadian Commercial Corporation, far from realizing the tremendous results expected, has in effect been a dismal failure, then I can see absolutely no justification for this resolution which would bring about a complete duplication of what we already have. The minister said this morning during the course of his remarks—I do not pretend to quote him accurately, but I think I am giving the effect of what he said—that many of the personnel engaged in the purchasing branch of munitions and supply had been absorbed into the Canadian Commercial Corporation. That is certainly the case on the evidence of the earlier debates, and in fact that was one of the justifications put forward for extending the functions of the Canadian Commercial Corporation in order to keep in being that group of men who it was said, and said accurately, had made such a great contribution to the wartime work of the department of munitions and supply.

Then in the debate in 1948 on a further amendment and discussion of the corporation, we find the advantage was stressed that all the people of munitions and supply who had been engaged in defence purchasing were now being absorbed into the Canadian Commercial Corporation. At page 5901 of *Hansard* for June 25, 1948, the Minister of National Defence (Mr. Claxton) spoke as follows:

> The Department of Munitions and Supply, which had done our purchasing during the war, gradually contracted; but it has preserved its records and some of its key personnel, and they have been incorporated into the Canadian Commercial Corporation, which has been entrusted with the job of acting as agent for the present Minister of Trade and Commerce in doing purchasing for the Department of National Defence.

Mr. Howe: And that position is unchanged.

Mr. Fulton: I am glad to hear that. The minister will find that a little later he himself said that it also acts as the purchasing agent for foreign governments.

Mr. Howe: Yes.

Mr. Fulton: The Minister of National Defence went on to say:

> We find that it does not lead to delay; that the corporation uses its resources of information and trained personnel to ascertain from whom we should procure supplies. By and large we are finding that it is working out very well.

So that a great number of people who did our defence purchasing during the war for the allied war effort are in the Canadian Commercial Corporation. Why then do we need some other body, some other minister, some other advisory board established with this enormous and unlimited power to do all over again the very work which the Canadian Commercial Corporation was set up to do, and for which it has the qualified personnel? So far it might perhaps be objected that everything that has been said has been confined to the domestic situation, providing for our own defence requirements and stockpiling. Under the Atlantic pact we are going to pool our resources. We have subscribed to the principle of balanced forces, and of collective pooling of resources, so that we may have to purchase for foreign governments, but the Minister of Trade and Commerce (Mr. Howe) is on record as saying just last year that the Canadian Commercial Corporation acts also as the government agent to carry out such purchases for foreign governments. At page 1952 of *Hansard* for March 24, 1949, the Minister of Trade and Commerce, in discussing the corporation, said this after referring to the function of purchasing for our own Department of National Defence:

> The other function is that of procurement for foreign governments purchasing in Canada or for

Canadian agencies purchasing abroad. In the case of foreign governments purchasing in Canada it may be necessary, for example, to finance the building of a ship which would be paid for on delivery.

The minister went on to outline how the Canadian Commercial Corporation acts in that respect as the agent for foreign governments in procuring supplies necessary for defence purposes. Earlier the minister was the one who took the lead in defending the corporate structure of the Canadian Commercial Corporation as the one most ideally suited to the work of defence procurement both for our own and for foreign governments. As a matter of fact, some of us criticized the fact that this purchasing agency was being set up as a crown corporation, and the minister rejected those criticisms and said this was the best way to do it. As reported at page 1894 of *Hansard* for March 23, 1949, he said:

One of the primary purposes of this corporate agency of government is to meet the needs of international trade. It has been, and continues to be, the policy of the government to provide for the procurement of the needs of the defence services by a civilian department rather than direct procurement by the services themselves. This purchasing function could be performed by a department of government rather than a corporate body—

As the minister intends to do under the resolution now before us.

—although the corporate form provides certain positive advantages, not only to the government but also to those who supply the requirements. However, a corporate form is almost essential in connection with certain foreign trade transactions, and it has obvious advantages to have but one buying agency rather than two separate organizations, one a branch of the Department of Trade and Commerce and the other a crown company.

Could anything be clearer, Mr. Speaker, than the fact that if the resolution and the bill based upon it pass we will have two separate agencies—

Mr. McIlraith: That does not follow at all.

Mr. Fulton: —one the minister and the Department of Trade and Commerce and such boards and advisers as he may set up, and the other a crown company, namely, the Canadian Commercial Corporation.

Mr. Howe: Mr. Speaker, on a point of order, my hon. friend has been speaking for fifteen minutes on something that is not contained in the resolution at all. There is nothing in the resolution to suggest that the relations of the Canadian Commercial Corporation with regard to anything are changed in the slightest, and I can tell him they are not changed in the slightest by the bill that is based on this resoltuion. It is a very interesting speech, and I am glad to have his endorsement of the Canadian Commercial Corporation, but he is entirely out of order when speaking on this resolution.

Mr. Fulton: Mr. Speaker, I thought I was speaking distinctly and had made my point distinctly, but apparently the minister has not appreciated it at all. I certainly did not understand the minister to say that the Canadian Commercial Corporation would be ended, that the act would be repealed or anything to that effect.

Mr. Howe: He did not say that it would.

Mr. Fulton: That is my whole point. We now have the Canadian Commercial Corporation qualified to do all these things that I have been describing which the ministers of defence and trade and commerce said it should do in the field of defence procurement. All these things were to be done by the Canadian Commercial Corporation and, as the minister himself has said, done very much better by that corporation than they could be in any other way. The point is that under the resolution in addition we have it clearly contemplated that the minister will be empowered to act in exactly the same way as the Canadian Commercial Corporation, and to set up boards and advisers to help him to act in that same way. I am not saying that the act creating the Canadian Commercial Corporation should be repealed. I am not discussing that at all. What I am discussing is the fact that here we will have a duplication of agencies, and we are going to have a body set up to do the very things which the minister said last year could be much better done by the Canadian Commercial Corporation in its form as a crown corporation. That is the point I am making.

Mr. Howe: You are not making any point at all.

Mr. Fulton: There could not be clearer words than those used by the Minister of Trade and Commerce and the Minister of National Defence in describing first the initial powers and then the extension of the powers of the Canadian Commercial Corporation, and the advantage of having it done that way.

Mr. Howe: May I ask my hon. friend one question? Did he not say a few moments ago that the Canadian Commercial Corporation is the agent of the Minister of Trade and Commerce for the procurement of defence services? He read those words in the quotation he gave earlier.

Mr. Fulton: I do not remember whether I used that exact word, but that certainly is my understanding.

Mr. Howe: They are and they will continue to be the agent of the Minister of Trade and Commerce.

Mr. Fulton: The agent of the Minister of Trade and Commerce and the agent of foreign governments which wish to purchase here.

Mr. Howe: That describes the relationship.

Mr. Fulton: I come back to the words that the minister used last year. If that relationship is going to continue why is he taking a separate power under this new legislation? The minister said that a corporate form was almost essential in connection with certain foreign trade transactions, and that there were obvious advantages in having one buying agency rather than two separate organizations.

Mr. Howe: My hon. friend has asked a question, and perhaps I may answer it. Responsibility for buying for the defence services has rested in the past and rests at present upon the Minister of Trade and Commerce, who in carrying out his duties, uses the services of the Canadian Commercial Corporation. He has done so in the past and will continue to do so in the future, and there will be absolutely no change resulting from this legislation. If there is any change I wish my hon. friend could tell me what it is.

Mr. Drew: If there is no change why do we need this legislation?

Mr. Howe: I will explain that.

Mr. Fulton: If it makes no change what is the need for the legislation? It seems to me a purpose would be served only if some change were contemplated in the set-up. Presumably that change is conceived by the government to be necessary, so we have this resolution; and that is what we are objecting to, the fact that a change is being made. Now the minister says this is entirely unnecessary, that no change is being made.

Mr. Howe: There is to be no change.

Mr. Fulton: If there is to be no change, what is the need for this legislation? Either it means a new agency and new powers being taken, or it means nothing at all. The minister says it does not mean new powers or any change, so we are left with the conclusion that the resolution means nothing at all.

Mr. Howe: Maybe that is right and it means nothing at all. It means nothing to you, I am sure.

Mr. Fulton: The minister says that is right. That is very interesting. Before this we have heard the minister make statements which later on he admitted meant nothing, that he had nothing in mind at the time he made them.

Mr. Gauthier (Sudbury): That is your story.

Mr. Fulton: No, that is based on the records of one of the committees of this house. The minister said he was not concerned with what he said last year, that what he said last year did not mean anything at all. He is on record as having made that statement in the committee on railways and shipping. We are accustomed to the minister making statements which later he finds mean nothing at all, and I am quite convinced that later on he will find that he did not mean the statement he made a moment ago. I am quite convinced the government would not have placed upon the order paper a resolution meaning nothing at all, as the minister has said; so I intend to continue to deal with the resolution as a serious piece of legislation, though one to which we are opposed.

After having said it was more desirable to have these things done by a corporate body than by a branch of the department, the minister went on to point out that the Canadian Commercial Corporation could indulge in many other activities such as stockpiling, and so on, which in fact it was carrying on at that time, in March of 1949. Let me read what the resolution says:

> . . . it is expedient to present a bill, cited as the Defence Supplies Act, to empower the Minister of Trade and Commerce to buy or otherwise acquire and deal with defence supplies; construct or otherwise acquire, projects; acquire, store and otherwise deal with material entering into the manufacture of defence supplies or the development, repair or maintenance of projects—

So under this legislation the minister is given power to control the whole realm of industry in this country. He can control the mining industry; he can control the lumber industry, because lumber enters into the construction and maintenance of projects. Yet in 1947, 1948 and 1949 we were told on numerous occasions that under this act, which contains surprisingly wide powers, the Canadian Commercial Corporation is authorized to do all these things and is in fact the best agency that can be devised to do the very things the minister is now being empowered to do under this new legislation.

At the moment we are not discussing whether or not any agency, whether it be the minister or a crown corporation, should in fact be given these powers. In the past we have opposed giving such powers to the Canadian Commercial Corporation; nevertheless that corporation has those powers today. Perhaps the minister is right; perhaps it is a meaningless waste of time to put on the order paper a resolution giving the minister the same powers, particularly when he says this new legislation makes no change. If the minister is prepared to justify the action of the government in placing upon the order paper and bringing before the house a resolution which he says has no meaning, I shall leave that difficult task to him.

Motion agreed to on division and the house went into committee, Mr. McCulloch in the chair.

Mr. Howe: Mr. Chairman, seldom have I heard a debate go so far afield and miss the point of the resolution so completely. This is not legislation to add to the powers of the Minister of Trade and Commerce; it is legislation to take away from his powers. The munitions and supply act is still in force and on the statute books today. I do not know how many hon. members have read that act recently, but if some contractors were to read it now I am sure they would be reluctant to enter into contracts with the government. The munitions and supply act was wartime legislation which gave the minister the widest possible powers; power to renegotiate contracts, power to order a man to accept a contract at prices fixed by the minister, and various other arbitrary powers.

Mr. Macdonnell (Greenwood): Was that legislation not regarded as dead, in effect?

Mr. Howe: No, sir.

Mr. Macdonnell (Greenwood): Has it been availed of recently?

Mr. Howe: We have not been invoking it recently; nevertheless that is the statute under which the Minister of Trade and Commerce operates today in making defence purchases. The purpose of this legislation is to repeal the munitions and supply act and replace it with legislation limited to powers required in peacetime. These emergency powers we have heard so much about are not new powers; they are a mere fraction of the powers the minister has today. The powers being retained are two in number. One is the power to obtain priority of delivery from a contractor who has signed a contract to supply war materials. We are giving up the right to order a contractor to produce war materials, but if he does contract to produce them and fails to deliver on time, this legislation gives the minister the right to demand priority from that contractor for the delivery of defence projects as against peacetime projects, in the event that the terms of the contract are not being lived up to. The other mandatory power that is retained is the power to requisition materials required to carry out a defence contract. If there is a shortage of lumber and lumber is needed for defence purposes, the Minister of Trade and Commerce can requisition lumber. If there is a shortage of copper and copper is required for defence purposes, the minister can requisition copper. In other words the two powers are first that he may require a government contractor to give priority of delivery under a defence contract he has already signed, and second to requisition material necessary for the carrying out of a government defence contract. I could give you the list of powers that the minister is giving up, but it would take considerable time, and would perhaps shock hon. members to know that powers so arbitrary can still be used in peacetime.

Mr. Macdonnell (Greenwood): We knew that even the minister would not exercise them in peacetime.

Mr. Howe: The leader of the opposition said there must be an emergency to justify this legislation. If there were an emergency, we would not be passing this bill. The reason we are passing this bill is that we believe the emergency is past and that we are operating in peacetime. We are operating under the threat of war, but we believe that peacetime is restored to the extent that wartime powers should now be given up and replaced by peacetime powers. The peacetime powers that are being retained in connection with defence purchasing are fewer than those retained by any other country that has defence purchasing legislation. They are far fewer than those under the defence purchasing acts that govern in the United States and fewer than the powers that apply to the Ministry of Supply in the United Kingdom. The point I want to make is that this is a divesting bill rather than a bill adding to the powers of the minister.

The leader of the opposition asked the question: Why is defence purchasing not returned to the armed services? I think that the principal reason is that the armed services prefer to have defence purchasing left where it is. They have found that the principle of civilian buying works well, and to the satisfaction of the Department of National Defence. It is rather significant that those countries that resorted to civilian purchasing of defence materials during the war have not returned those powers to the services. In the United Kingdom we had the Department of Supply buying for the army during the war period, and the Department of Aircraft Production buying for the air services.

Mr. Macdonnell (Greenwood): Does the minister remember when the Department of Supply was set up in England?

Mr. Howe: Yes. It was set up just before the outbreak of war, as I recall. Those two United Kingdom departments of government are now combined in the one ministry, the Ministry of Supply; and the purchases for the army and for the air services continue to be made by a civilian department.

A good deal has been said about some changed relationship between the armed services and the Canadian Commercial Corporation. I should like to correct a few remarks made in that connection. The Canadian Commercial Corporation was not established to purchase war materials. It was established about 1943 for the purpose of assisting foreign governments to purchase in Canada. It was not until 1946, I think, when the Minister of Munitions and Supply was attempting to wind up his department; and, as this agency was working efficiently, it seemed logical at that time to transfer responsibility for the purchase of military materials from the Minister of Munitions and Supply to the Minister of Trade and Commerce. That transfer was carried out by legislation. The Minister of Trade and Commerce has made use of the Canadian Commercial Corporation to carry out the responsibilities which have been his, just as the Minister of Trade and Commerce in future will use the Canadian Commercial Corporation to exercise the responsibility that is his, namely to make purchases for the armed services. There has been no change in that relationship from the beginning, no change is contemplated, and absolutely no change is suggested in the resolution that is before the committee at this time.

Someone said that if legislation of this kind is needed we should assemble parliament when the emergency arises. Again I say that this is a divesting bill which is being enacted because no emergency confronts this country at the moment. Should an emergency arise, parliament of course will be assembled. A purchasing bill suitable for wartime is in hand and that bill would be placed before parliament at that session. I am sure that parliament would enact that more drastic bill into legislation. But I repeat that what is before parliament now is a bill to govern peacetime purchases.

The leader of the C.C.F. party referred to the Defence Purchases Act, which is also being repealed by the bill that is based on this resolution. The Defence Purchases Act might be described as a noble experiment.

The difficulty came about in attempting to put the legislation into practice. The legislation provided that defence purchases would be made on the basis of 5 per cent on the capital employed in carrying out the contract. If it had been 5 per cent on the cost of the goods, it would have been understandable, and the act might have been effective at least in the vast majority of purchases. The ordinary contract during the war, or rather, the average of all the contracts placed during the war, varied a profit factor of about 4¼ per cent. But the act did not say "5 per cent of the cost of the article". It said, "5 per cent return on the capital employed in turning out the article".

How could the amount of capital required be determined? For example, a $100,000 contract might be placed with the Canadian General Electric Company which has a capital of a great many million dollars. How much capital would be required to carry out that $100,000 contract? How could anyone determine that? The government certainly could not determine it, and I doubt if the contractor could determine it. Unless it was agreed that a certain capital would be set aside for the purpose, no one on earth could tell how much the government owed the contractor when that particular contract had been carried out. I think that explains why the Defence Purchases Act, as experience determined, was not an act that could be made operative. It was for that reason that the munitions and supply act was passed shortly after the outbreak of war. It is for that reason that the bill that is based on this resolution repeals the Defence Purchases Act.

I think my statement fairly well covers the points raised in the discussion on the resolution, but I shall be glad to answer any other questions that may be in the minds of hon. members while we are in committee.

Mr. Fulton: I should like to ask the minister whether it is not a fact that the Canadian Commercial Corporation at the present time operates under its own empowering statute.

Mr. Howe: Certainly it acts under its own empowering statute, but there is nothing in that empowering statute that makes it the agent of the Minister of National Defence; it is the agent of the Minister of Trade and Commerce.

Mr. Fulton: Exactly; and it is a defence procurement agency, is it not?

Mr. Howe: Only to the extent that the Minister of Trade and Commerce cares to call on it to assist him in carrying out his function as the procurement agent for the Department of National Defence.

Mr. Fulton: Exactly; and it is available there for that purpose.

Mr. Howe: It is available, yes.

Mr. Fulton: Last year the minister told us, I think, that it had already exercised that function under his direction in connection with the stockpiling of tin.

Mr. Howe: Yes. It will continue to do that.

Mr. Fulton: So that it is a corporation or an agency which is now empowered to buy or otherwise acquire and deal with defence supplies, is it not?

Mr. Howe: Yes, but only as directed by the minister. There is a separation of its duties. The Canadian Commercial Corporation was established with certain powers originally.

Mr. Fulton: Later I think enlarged by an amendment.

Mr. Howe: Later enlarged by an amendment, to enable it to assist the minister in obtaining defence supplies.

Mr. Fulton: Yes.

Mr. Howe: But the responsibility in the one case is with the corporation, and in the other case is with the minister. In other words, requisitions do not go to the Canadian Commercial Corporation from the armed services; they go to the minister, and the minister asks the Canadian Commercial Corporation to exercise his powers in filling those requisitions. But it is working for the minister, and it is the agent of the minister, and it will continue to be the agent of the minister for that purpose. There is absolutely no change in the position of the Canadian Commercial Corporation as a result of this legislation.

Mr. Pearkes: In the third line of the resolution, as it appears on today's order paper, there are the words: "construct or otherwise acquire, projects." When the Canadian Commercial Corporation was first brought into being it had the power to construct projects, but I think last year that power was withdrawn. It has not been found practicable for the Canadian Commercial Corporation to do construction work. I think that the construction work contemplated is now to be done either by the Department of Public Works or under the Minister of Resources and Development.

Mr. Howe: My hon. friend is quite mistaken. The construction projects are carried out by the Minister of Trade and Commerce. He does not build them himself, as my hon. friend would know, but he procures the building of such projects. He procures the building by calling for tenders and awarding a contract to an organization capable of carrying out that particular project. But he is the sole procurement agent for structures, just as he is for materials for the armed services.

Mr. Gillis: I have listened with a great deal of interest to the discussion and to the minister's explanation. As I understand the matter now, this bill will replace the munitions and supply act. In effect the minister says that this new legislation will restrict powers that he had under the munitions and supply act. We will have to take the minister's word for that. On reading the resolution upon which the bill is to be based, I think the powers are unlimited.

As many hon. members have indicated, this is peacetime legislation. We are not living in a peaceful world. I assume that the powers are delegated here, having in mind that in the event of an emergency the machinery that is ready can be put into operation to take care of the emergency. It might mean that the powers are emergency powers. Personally I am not objecting to that. My reason for rising was to say I trust that both in peacetime and in the event of an emergency these powers will be exercised a little more realistically with regard to the placing of our defence projects than they were during the last war. During the last war there was a complete concentration of our munitions industries, and generally our war industries in the two central provinces. They were pretty well bundled together, to the extent that in Ontario a power shortage was created as an aftermath of the war.

When the war ended, of course, all the industries were handed over to someone for very little money. The matter of decentralization of industry in the event of another emergency is a live issue in the United States today, and it should be a live issue in Canada.

The minister has been working through the Canadian Commercial Corporation, and he says that he intends to continue to do so. The machinery is not changing at all. All they are doing is changing the name of the body that is to do the purchasing under the same minister. Apparently that organization has been functioning for some time. I think the same trend that has been apparent over the years, namely, the concentrating of everything in the two central provinces, is being followed. This matter has been the subject of inquiry and investigation. The Dawson commission report on this very question is a strong indictment of this thing, with particular reference to the denuding of the maritimes and western Canada. The figures are there. I am not going to repeat them. Anyone can look them up.

What I am disappointed in is this. Recently the minister put out a report on private and public investment in Canada, outlook for 1950. On page 4 of the introduction to the report he sets out that there is a forecast of public and private investment amounting to $3.6 billion for 1950. In looking over the report I find that so far as Prince Edward Island, Nova Scotia and New Brunswick are concerned, their share, the total maritime share of that potential investment, is around 6.67 per cent—practically nothing.

In the light of international complications today we are wise in providing legislation that is workable in peacetime and could be used in an event of an emergency. I think the efforts of the department of munitions and supply in the concentration of industry in one spot that could be knocked out with a few bombs was unrealistic in the last war. I think too it was bad for the whole economy of the country. The terrific public investment made during the war in plant and industry across the country was lost in the aftermath of the war; it was practically given away to private industry. I am not objecting to this machinery. I am in hopes that, with the experience of the past and with the machinery that is being set up having to do with the regulation of public investment, in the event of an emergency some regard will be had to keeping the major industries decentralized so far as that may be possible, not only because of power and other factors, but because I think in the event of war you are going to be hit quickly from the air with something pretty powerful. If you have too much concentration in one spot it will be easy to knock it out overnight. The forecast of public and private investment for 1950 certainly does not indicate anything along these lines, because the same old concentration is taking place in the same two provinces.

I should like to endorse what the hon. member for Rosetown-Biggar had to say in emphasizing government ownership. You can call it nationalization, socialization, or whatever you like; I believe that the munitions industry, which will be created largely by government funds, should be in large measure under government control. The government should have control over the munitions industry in the event of wars and prior to war, because I believe there will always be wars as long as there is money to be made out of them.

I am not going to emphasize that matter now. We have discussed it time and time again. I have always been convinced that nobody should make any profit out of war. We are all in it together. You requisition the lives of the young people and send them to fight for the institutions of the country. Why should the fellow who stays at home make a lot of money? When the war is over, the blood, sweat and tears employed in it should be the payment in full. There should not be interest charges. But that is not the issue at this time. I wish to leave that thought with the minister when he proceeds to his discussions with those who are going to set up in this country plants and industry which may be used for defence purposes. That should be decentralized and scattered across the country to the greatest possible extent.

[Mr. Gillis.]

When we build plant and equipment for an emergency I think we should keep in mind what can be done with that plant and equipment after a war, so that we might level off the economy of the country. I am not opposed to the resolution. I believe that under circumstances such as exist today we must be ready for emergencies. It is not good enough to begin doing that after something hits us. The machinery should be ready now. I am accepting the minister's statement that this is merely a process of transferring the operations under the Department of Munitions and Supply Act to the Canadian Commercial Corporation, which seems to be doing a pretty good job.

I am not objecting to that; but I do object to the concentration of industry in the two central provinces. I say that is bad planning for defence, and I have risen at this time to focus the attention of the minister on that point.

Mr. Fulton: In connection with the explanation given by the minister a moment ago, I would suggest that the logical way to proceed would be to amend the Canadian Commercial Corporation Act. The minister has said there is no duplication, and that there is no change intended from the existing situation. Surely the existing situation is that the Canadian Commercial Corporation is at the present time the procurement agency, or the agency which makes contracts and enters into agreements with suppliers for acquiring and dealing with defence supplies, and for constructing or otherwise securing projects.

Those actual arrangements are entered into by the Canadian Commercial Corporation as agent, admittedly, of the Minister of Trade and Commerce. That is the present situation. In order to enable the present situation to continue, or to enlarge upon the pertinent provisions, some further legislation is necessary; surely that further legislation should be legislation modifying or enlarging or otherwise dealing with the powers of the Canadian Commercial Corporation. All one has to say is that the Minister of Trade and Commerce shall be responsible for the supervision of the Canadian Commercial Corporation, as obtains today.

However the corporation is the agency which does all these things. When it has those powers under the act that set it up, and then the same powers are given to the Minister of Trade and Commerce under a separate act, I do not see how it can be urged that there is no duplication.

Mr. Howe: I have great difficulty because I find I am to be condemned for doing either one thing or the other. I have been condemned

by the opposition many times for establishing bureaucracy in this country. Under the present arrangement—

Mr. Fulton: Oh, may I make myself clear. I said that I was not questioning the merits or demerits of having the Canadian Commercial Corporation. Now we are discussing what to do with it.

Mr. Howe: But the hon. member is suggesting that the responsibility for the procurement of defence supplies be transferred from the minister to the corporation. Surely not if the hon. member is not advocating that there is no change required at all. The responsibility for the procurement of defence supplies rests with the Minister of Trade and Commerce today. Now, if the Minister of Trade and Commerce wishes to obtain the help of the Canadian Commercial Corporation in carrying out that responsibility, doing so does not relieve him of his responsibility. But if my hon. friend wishes to place the Canadian Commercial Corporation in the same relationship to the defence department as it now holds with respect to foreign governments, then he is creating a bureaucracy for the carrying out of a responsibility that is now carried out by a minister of the crown.

Mr. Fulton: When we discussed this matter the Minister of National Defence told us that the Canadian Commercial Corporation entered into contracts for the procurement of defence supplies required by his department. We were told that during the course of the discussion—and I am sure if I had time to do it I could find the place in *Hansard* where that was said.

Mr. Knowles: A few moments ago the Minister of Trade and Commerce made comments with regard to what was said by the hon. member for Rosetown-Biggar concerning the profit limitation in the Defence Purchases, Profits Control and Financing Act, 1939. I listened with interest to the explanation the minister gave as to why he felt that that particular formula for the limitation of profits in producing munitions and other war supplies was unworkable.

I would remind the minister that in 1939 the government itself took a very strong position that profits in war supplies should be controlled. The late Right Hon. Ian Mackenzie, then minister of national defence, who introduced the bill, went out of his way to make it clear that that was the government's position. He argued that the provisions of the bill then being presented to the house were stiffer in that regard than anything he could lay his hands on, and that the government was proud of that fact because it wished to make sure that profits would not be made in munitions and other war materials.

If the minister contends that that particular formula for limiting profits in war supplies is unworkable, is that any reason for throwing out altogether the principle of limiting or controlling profits in respect of defence purchases and supplies?

Mr. Howe: Far from doing that, the best protection the government can have is an experienced purchasing staff, a staff that knows the capacity of the country and its capacity for turning out anything the government wishes to buy, as well as the cost of operation of any industry. We are putting the ability and experience of Canadian Commercial Corporation in the position of safeguarding the public purse; and I can assure the hon. member that it is quite capable of carrying out that responsibility.

We give the government of 1939, of which I was a member, full marks for good intentions; nevertheless they attempted to legislate arbitrarily something that was not capable of being arbitrarily restricted. Had the act of 1939 governed buying during the war period there would have been no munitions effort in Canada, because in practice that legislation was found to be entirely unworkable—and not unworkable because of the greed of industry, as has been suggested by my hon. friends, but because it set up a formula in which there were too many unknown factors.

It was found impossible to determine the amount of capital required to carry out a given contract, or to devise a way by which it could be determined. For that reason the act proved unworkable.

Mr. Knowles: I accept the minister's explanation as to why he regarded that particular formula as unworkable. My question is this: Is there any other formula being put in the legislation, or do we depend entirely upon the ability, interest and concern in these matters of the men appointed to the defence supplies board and to the board of the Canadian Commercial Corporation?

Mr. Howe: Yes, that is the best, most practical and surest safeguard we know. That is the safeguard relied upon in the present act.

Mr. Knowles: The minister gave figures a while ago as to the over-all percentage of profits made during the war in relation to the cost of war supplies. I think the minister gave a figure of four and a fraction per cent, something under five per cent. Has he the comparable figure for the defence supplies purchased since the end of the war or for the period during which the Canadian Commercial Corporation has been doing this work?

Mr. Howe: No. It would be difficult to arrive at that unless you could work out the cost of every contract. We could do that during the war when the contracts were for large sums and when we had the machinery to put in cost accountants and determine the cost at the factory. When the profits were found to be excessive the contract was renegotiated and the profits recaptured. We have no machinery to do that today. Practically everything that is bought for defence purposes now is bought by tender.

Mr. Adamson: I gather from what has been said that if the Minister of National Defence wished to have a building constructed it would be done under this measure. Would that apply also to the construction of such works as radar screens and other purely military projects? As I recall, during the war there was a branch in the Department of National Defence which dealt with fortress construction because I used to know the colonel in charge. If that is so, this would appear to be a new departure in connection with national defence under which this agency would build all works for that department even though they were fortresses or for purely military purposes.

Mr. Howe: The Department of Trade and Commerce would place the contract for the construction of radar screens and for all other works for the defence services, as it did during the war, except such works as were carried out by arrangement with the Department of National Defence by its own troops. There was a construction battalion during the war, I think in both the army and air force, which did a certain amount of work by arrangement with the Department of Trade and Commerce. That would still be possible, but the act requires that all construction be procured through the agency of the Minister of Trade and Commerce except by special arrangement.

Resolution reported, read the second time and concurred in.

Mr. Howe thereupon moved for leave to introduce Bill No. 302, respecting defence supplies and projects.

Motion agreed to and bill read the first time.

THE REGULATIONS ACT

PROVISION FOR UNIFORM SYSTEM OF PUBLISHING REGULATIONS AND LAYING THEM BEFORE PARLIAMENT

The house resumed, from Wednesday, May 31, consideration of the motion of Mr. St. Laurent for the second reading of Bill No. 89, to provide for the publication of statutory regulations.

[Mr. Knowles.]

Mr. E. D. Fulton (Kamloops): Mr. Speaker, on May 31, when the Prime Minister (Mr. St. Laurent) moved the second reading of this bill, he explained the bill. I think it is only proper to say that we in this party are in agreement with the intentions of the bill as indicated by the Prime Minister. We feel that a real attempt has been made to place statutory orders, regulations, orders in council and so on, on a footing where it will be more feasible than it has been in the past for members and others interested to ascertain what is in the orders and regulations and how they are affected by them. However, there are one or two reservations which we have with respect to the bill and which I should like to indicate, and there are certain questions we would like the Prime Minister to answer when we are in the committee stage.

Although we now have a statute which as I read it provides for the consolidation of all effective orders and regulations up to the present time, and of which the Prime Minister tabled the first volume in the house recently, the bill goes on to provide for a system of consolidation of subsequent orders in council and regulations but the method by which that publication and consolidation is to be carried on is in turn to be left to order in council. We would have preferred if it had been possible to have had some specific provision in the bill as to how this was to be done and the basis upon which it was to be carried out. As the situation is at present, under section 9 there is provision for the future publication and consolidation, but that is left to the governor in council by regulation.

I do not refer to the fact that there are statutory requirements for publication in the *Canada Gazette*, for the laying on the table of parliament within certain statutory periods of regulations and orders in council, except such as may be excepted by order in council, but rather to such regulations governing future consolidations along the lines of the volume already tabled and which are to be left to order in council. I think it would have been desirable if at least an outline of that system could have been incorporated in the bill itself.

It is appreciated that this task of providing adequate publicity for orders in council and regulation and ensuring that all those who are affected shall have a chance to know what they are before they become law is a difficult one, and the whole problem of delegated legislation under present-day conditions of carrying on government is bound to be a difficult one. Therefore I think the Prime Minister and the house will appreciate the import of my remarks, that it would be

desirable if we could have a statutory definition of how these things are to be published.

One will recall that in the past orders in council and regulations did not have the effect of law until they had been passed by the house in the form of a bill, not simply being tabled. Orders in council that had been laid upon the table were given second reading and it was only after they had been formally approved by the House of Commons that they had the force of law.

My authority for this statement is to be found at page 2382 of *Hansard* of May 22, 1918, where the following is to be found under the heading "Concurrence in orders in council":

Sir George Foster moved that the orders in council laid on the table of the house on the 2nd April, 1918, be concurred in. He said: The orders in council which have been issued and laid on the table form a long list of two pages. They are formal to a certain extent, but the law requires that these orders in council when passed shall be laid on the table of the house within a certain time.

That is the situation at the present time. Orders in council have to be laid on the table of the house generally fifteen days after they are passed, or if parliament be not then sitting, within fifteen days of the commencement of the next session. Then Sir George Foster continued:

I think they are not law until they are so laid on the table of the house, and thereafter if approved by the house.

Sir Wilfrid Laurier replied:

These orders in council, as I understand the law, have to be submitted to the house and ratified by the house.

Sir George Foster: Yes.

Sir Wilfrid Laurier: So I would suggest that my hon. friend allow this motion to stand until tomorrow.

Mr. Speaker: Stand.

That understanding was confirmed the next day when the matter again came before the house. The discussion is reported at page 2479 of *Hansard* for May 23, 1918, and reads as follows:

Sir George Foster: I move, seconded by Mr. Carvell:

"That the orders in council, copies of which were laid on the table of the house on the 2nd of April, be concurred in."

Sir Wilfrid Laurier: As a rule these orders in council are considered in committee of the whole because it is more convenient to discuss them in committee than with Mr. Speaker in the chair. I have looked at the orders in council referred to in the motion and I see nothing of any importance in them, so that possibly we can approve of them without going into committee, if my hon. friend will call attention to any particular one of them which may be of importance. As I am advised at present, and from a cursory glance at them, I see nothing objectionable. They appear to be in most respects merely technical orders in council.

I refer to that to show that the discussions we have had on the practice of order in council government and the dangers inherent therein are by no means to be passed over lightly because so seriously was it regarded at the end of the first world war that these orders in council and regulations, which were laid on the table of the house in pursuance of statutory requirements, did not in fact become law until concurrence of the house had been formally moved and granted. I am not going to go so far as to move an amendment to the bill at this time to incorporate in it any such provision, but I think it gives force to the suggestion that it would have been desirable if the Prime Minister (Mr. St. Laurent), while going as far as he has, after a great deal of careful study and consideration, to provide that orders in council and regulations will be fully known and understood so that those affected may know what laws they have to operate under, had gone a little further and provided in the bill he has introduced actual statutory provisions governing their publication and consolidation instead of leaving that in turn to be made the subject of an order in council. With these observations, however, I say that we concur in the bill and approve its objectives. We would like more information as to the classes or types of orders in council which it is intended to exempt by regulation from the provisions of this statute with regard to consolidation and publication. We would also like more information as to the method which it is proposed to follow in the future to provide for that consolidation and publication.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I will take only a moment or two because generally speaking this bill strikes us as a piece of good legislation. Indeed anything that makes it more clear to parliament and to the general public just what the laws of the land are is all to the good. We have got to the situation where regulations passed under statutes are far more numerous than the statutes themselves, and in the very nature of things they are a part of the law of the land. The two or three reservations mentioned by the hon. member for Kamloops (Mr. Fulton) have been in my mind as well. I shall not take time to spell them out. He used almost the exact language that I had intended to use when he said he hoped that the Prime Minister (Mr. St. Laurent) would give us a little clearer statement as to the classes of regulations which the government has in mind with reference to the clause providing for exemption from the requirement that all regulations be tabled and published.

In fact I noted when the Prime Minister made his speech on second reading of the bill he said that the publishing and tabling of

all regulations would now be made compulsory, and I took it at the time that was an unequivocal statement. There is in the bill, however, the exemption clause, which we would like to have explained fully at some stage of the debate today. The other comment I should like to make is that I trust the bill will be passed in time for its effect upon a great host of statutes to reach the commission revising the statutes of Canada. I note that a good many statutes will have sections repealed or a few words struck out of a section, and I think it would be desirable when the Revised Statutes of Canada appear that those changes should be incorporated therein.

The Prime Minister might also say a word when he replies, or when we get into committee, with respect to the tabling of reports. When the legislation was first forecast, as a matter of fact by comments made by the Prime Minister during the last session, I thought it was going to cover both regulations passed under statutes and reports of departments that are laid on the table of the house each session. The same lack of uniformity applies in connection with those reports as in the case of regulations. The period of time within which a departmental report must be laid upon the table varies from ten days in some cases to fifteen in others, and longer periods in others. As a matter of fact I believe there are some departments which are not required by statute to place their reports on the table of the house, although I believe in most cases they do. It would seem to me that it is desirable that there should be uniformity in that regard as well. I would appreciate it if at some stage of the discussion the Prime Minister would indicate whether that matter has been given consideration, and with what result. I need not take longer because, as I said at the beginning of my remarks, generally speaking we think this is a piece of good legislation.

Mr. Solon E. Low (Peace River): Mr. Speaker, it is said that order is the first law of heaven. I want to congratulate the Prime Minister (Mr. St. Laurent) on introducing this measure which is designed to make the parliament of Canada a little more heavenly. With the reservations that have been made so far, I want to tell the Prime Minister that we think this is a good piece of legislation. We certainly congratulate him on introducing it, and we support it.

Mr. St. Laurent: Mr. Speaker —

Mr. Speaker: Order. I must inform the house that if the Prime Minister speaks now he will close the debate.

[Mr. Knowles.]

Right Hon. L. S. St. Laurent (Prime Minister): There is just a word I wish to say at this stage. Most of the remarks that have been made will form the subject of discussion when we are in committee on the sections of the bill. There are just two matters which it might be more appropriate to deal with at this time than in committee. The first is with respect to the citations from the 1918 *Hansard* read by the hon. member for Kamloops (Mr. Fulton). They refer to something quite different from what we are talking about at the present time. They refer to orders in council which could not be effective until they had been ratified by parliament. Here we are dealing with the exercise by the governor in council or by other bodies of powers granted to them to make legislation in the form of their own decisions effective. That is something quite different. I have not looked at the orders in council involved in the reference made by the hon. member, but I would imagine they were for the continuation in force of wartime legislation made by order in council which could not continue without parliamentary action. That is quite different to what we have here. Here we are dealing with the exercise by the governor in council, or other bodies, of delegated authority, authority parliament has given them to make effective decisions of their own, and we want the public to be properly notified.

The second matter with which I think I should deal at this time is the question of the hon. member for Winnipeg North Centre (Mr. Knowles) as to reports of departments. An interdepartmental committee has been working on that matter. I did not think it was going to involve as much work as it appears to have involved; but we do want—not at this session, but as soon as possible—a statute dealing with such reports as are required to be tabled. A great many other things are tabled from time to time by the government without any express requirement that this be done, and the practice in that regard is being examined by this interdepartmental committee so that in the legislation we will introduce a distinction may be made as between those matters for which there is a statutory requirement as to tabling and those other matters which it may be found convenient to table for the information of hon. members but as to which there may not be any statutory requirement.

At the same time we are having this committee consider whether there is not quite a lot of duplication in the form of the reports that are tabled. We would like to avoid unnecessary duplication. It frequently happens that the departmental reports contain matters that have been made public already

and which it is not necessary to reprint; because all those who retain these documents in their libraries find that in addition to the initial expense, space is a consideration that must be taken into account. We do not want unnecessary duplication if we can reasonably avoid it without inconvenience to any hon. member of the house or to the public; and that is being rather carefully considered.

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

On section 1—*Short title.*

Mr. Fulton: I should like to refer to a matter mentioned in the speech of the Prime Minister in which there appears to be some contradiction which might be cleared up. At page 3039 of *Hansard* the right hon. gentleman said:

> This procedure was established by order in council P.C. 4876 on the 26th of November, 1946, under authority conferred by section 30 of the Public Printing and Stationery Act.

At that point he was referring to the procedure of publication in the Canada *Gazette*. In the next paragraph the Prime Minister referred to the consolidation of such statutory orders and regulations in effect on December 1, 1949, as having been prepared and in the hands of the king's printer; that is the volume now before us. He then went on to say:

> The order in council to which I have just referred is known as "The statutory orders and regulations order, 1947."

In trying to follow the discussion I find myself at a loss because I am not sure whether there were two different orders in council, the one of November 26, 1946, and another in 1947, which I could not find, or whether the reference to the statutory orders and regulations order, 1947, should have read "1946".

Mr. St. Laurent: No, I think 1947 is correct. It was called the statutory orders and regulations order, 1947, because it was intended to operate as from January 1, 1947, and at that time it was intended to separate the ordinary notices in the official gazette from the statutory orders and regulations which were published in a different form.

With respect to this definition, I want to state again that we found it would not be possible or prudent to make statutory exemptions with respect to the application of this statute. We wanted it to include everything, to make it necessary for us to call attention to anything that was not going to be governed by it. So we said we would make it as sweeping as possible so it would apply to every kind of order that has legislative effect, made under authority given by parliament; and if we wanted to take anything out of that general, sweeping declaration we would have to call attention to what we were taking out so if there should be any controversy as to whether it should be in or out the matter would be brought to the attention of hon. members and the public. This would apply to a great many things if we did not make exceptions. It would apply, for instance, to all the orders given from time to time from the control towers at our airfields. Of course no one would want those published in permanent form, for they operate once and are spent. We have quite a variety of things of that character which are spent immediately, and which will be excepted from the application of this act.

This legislation will apply not only to the regulations made by the government, either the governor in council, treasury board, or boards or commissions set up by parliament. It will apply to regulations made by railway companies, for instance, if those regulations, by virtue of federal legislation, have the sanction of a penalty in the form of a fine or imprisonment. Railways make bylaws for the proper conduct of their passengers. If those bylaws are sanctioned, by virtue of a federal statute, by a penalty in the form of a fine or imprisonment for violation, they will have to be registered and published. We thought it desirable to have something comprehensive, that could be relied upon as containing the complete picture of the things having the force of this parliament behind them, and that we would have to specifically indicate everything that was not going to be included in the general, sweeping assertion.

Section agreed to.

On section 2—*Definitions.*

Mr. Fulton: Would the Prime Minister tell us why it was decided to exempt from the definition of "regulation" the classification under subparagraph (v)—

> —a rule, order or regulation governing the practice or procedure in any proceedings before a judicial tribunal.

I imagine those of greatest interest would be the rules of procedure in the Supreme Court of Canada and the Exchequer Court of Canada, and I wondered why it was decided to exempt them from publication.

Mr. St. Laurent: They are required to be published otherwise, and are available in a separate booklet from the king's printer. That is the reason these rules of practice are made by the supreme court, by the exchequer court, by the board of transport commissioners and by the income tax appeal

board, and they are available separately for the convenience of those who practise before those tribunals; they can be obtained separately. It was felt that they would not be of general interest to the public at large. They are of special interest to those who practise before those courts but they are not of general interest to the public at large.

Mr. Fulton: Then they have not in the past been published in the *Canada Gazette*? Is that the case?

Mr. St. Laurent: They are published in the *Canada Gazette*, but they will not be treated in the same manner as the ordinary statutes and regulations that are of general interest to the public and they will not be put into the consolidation of those orders and regulations.

Mr. Low: They will continue to be published?

Mr. St. Laurent: Yes; they will continue to be published.

Mr. Fulton: I can appreciate the fact that it would not be necessary to put them in this consolidation, they having appeared in the *Canada Gazette* and being, as the Prime Minister says, generally available to those who are in practice before the courts in question. But as I understand it the effect of providing that a regulation does not include a rule, order or regulation governing the practice or procedure or any proceedings before a judicial tribunal, or in other words of providing that the rules of procedure and practice in the supreme court and in the exchequer court are not regulations, will exempt them now from the provision of section 6 which provides as follows:

> Every regulation shall be published in English and in French in the *Canada Gazette* within thirty days after it is made.

What concerned us was whether the effect of that will not be to prohibit them from being published in the *Canada Gazette* or to make it questionable whether they should be, since they are not now classed as regulations which must be published in the *Canada Gazette*.

Mr. St. Laurent: Those orders and rules of practice have to be published under statute at the present time, and the provisions of the statute requiring their publication are not being repealed in this schedule. This schedule does not repeal the existing law requiring the form of publication for these court orders or rules of practice.

Mr. Browne (St. John's West): I should like to ask the Prime Minister if he can make a little bit clearer to me the reason why the conjunction "or" comes at the end of section 2(a) (i) and not "and"?

[Mr. St. Laurent.]

Mr. St. Laurent: Because there are orders that we wish to have come under the provisions of this statute which are not made by government agencies such as, for instance, those made by the board of directors of a railway company with respect to the conduct of the passengers on their trains. Suppose they are regulations the infringement of which is punishable by fine or imprisonment under a section of the Railway Act. We want those included. If we used "and" they would not be included unless they were orders made by the kind of government agency described in one of the subsections.

Mr. Browne (St. John's West): That is what puzzled me. Would you not call a railway company a "corporation"?

Mr. Knowles: Not the Canadian Pacific Railway.

Mr. Browne (St. John's West): Oh, I understand.

Mr. St. Laurent: It is not a corporation representing the government.

Mr. Browne (St. John's West): Now I understand. Thank you.

Section agreed to.

Sections 3, 4 and 5 inclusive agreed to.

On section 6—*Publication in Canada Gazette.*

Mr. Knowles: Will the Prime Minister indicate what will be the situation as between the *Canada Gazette*, part I, and the *Canada Gazette*, part II, after this bill passes? Will part II continue to be published? Will it be under that name or some other name?

Mr. St. Laurent: That has not been determined. I would not like to commit the government at this time to what will be found to be the most practicable form to carry out the provisions of this legislation.

Mr. Knowles: I suppose the same answer would be given, when we get over to it, with respect to the regulations and classes of regulations that are exempted from the provisions of the bill and which are thereby required to be published in the *Canada Gazette;* that is a matter to be worked out later, I take it. It might be in the main volume or it might be in a supplementary volume.

Mr. St. Laurent: In a supplementary volume.

Mr. Fulton: Subsection 3 of this section 6 provides:

> No regulation is invalid by reason only that it was not published in the *Canada Gazette* . . .

Then it goes on to provide that no person shall be convicted of an offence unless it was proved that the regulation was exempted from publication, and that reasonable steps had been taken to bring it to the notice of the person affected. I would not ask the Prime Minister to tell us or to attempt to tell us here what would be accepted as evidence of "reasonable" in a court of law. That is not the implication of my question. I would ask him, however, if he would tell us what steps are considered reasonable by the government and what steps are in fact taken to bring to the attention of the persons affected such regulations as are not published?

Mr. St. Laurent: Because of the sweeping terms of the definition "regulations", it will include all sorts of orders; and it may be that, for instance, some regulation of a railway company had not been published and the penalty for infringement sanctioned by a section of the Railway Act is fine or imprisonment. If it had not been published, and there had not been, to the satisfaction of the court, the publicity given to it that made the offender a voluntary offender, the court would not convict.

In these matters I think it is better not to attempt to bind the courts down too tightly. I think this statute will show that it was not the intention of parliament that everything be published, and that considerable discretion should be left to the court, if one was prosecuted under an order that was not published, in determining whether or not the offender should be looked upon as having done something that he knew was wrong. I think it is preferable to leave that.

Then the circumstances may vary. There might be an occasion when there would be a question about the regularity of registration and publication. The hon. member will notice that we require the order to be sent to the clerk of the privy council to be recorded, and then the publication is required to be made within a certain time after that is done. A question might arise, although it had been published in the official gazette, as to whether it was done within the proper time after the recording in the privy council office. I think it is better to leave it to the courts to apply in a manner that will make it workable rather than to be too specific about it. If something had been published simultaneously with the recording or if it had been sent to the official gazette at the same time at it was sent to the privy council, and if as a matter of fact it were established that the clerk of the privy council had not recorded it until the day after it was published in the *Gazette*, the question might arise whether that was compliance with the statute. I think those matters should be left for the common-sense determination of those presiding over the courts.

Mr. Fulton: I appreciate the principle that the Prime Minister has suggested. What limited experience I have had does suggest that courts, on the other hand, have great difficulty in interpreting the word "reasonable" in a statute such as this. I am thinking particularly of an instance where a regulation is in the exempted class, and it is not necessary to publish in the *Gazette*. It will be difficult to say what are the reasonable steps which should have been taken to bring it to the attention of the person affected. I am wondering whether the Prime Minister would consider putting the onus more upon the authority publishing the regulation to bring it to the attention of the person affected. If the words "all necessary steps" were substituted here for the words "reasonable steps" so that it would read:

Unless

(b) it is proved that at the date of the alleged contravention all necessary steps had been taken—

—and so on, that would bring the matter to the attention of the person affected. I think these words would clearly establish not only the onus of proving that it had been brought to his attention but the necessity of taking the steps necessary to bring it to his attention would be on the body making the order or the regulation.

Mr. St. Laurent: Let me suggest this case. An order goes out from a control tower in an airfield to a plane that is coming in, and the apparatus in that plane is not in a position to receive the message; and because of the neglect of the pilot, or of the owner of the plane, he is not in a position to receive the message. Well, the sending of the message would not be all the necessary steps to bring it to his attention. What would have been necessary to bring it to his attention would have been an inspection of the plane to make sure that there was a private receiving apparatus in his plane. Well, that would not be reasonable. Today if one attempts to use public airfields one is supposed to be in a position to receive the directions that come from the control towers. I think that no court would find it difficult to say that it would not be an excuse for him to say: "Well, my receiving set was out of order and that is why I did not comply with the order I got from the control tower." These orders from the control towers will certainly be in the exempted class.

Section agreed to.

Sections 7 and 8 agreed to.

Regulations Act

On section 9—*Governor in council may make regulations.*

Mr. Knowles: With respect to subsection 2 of section 9 which deals with exemptions, may I ask the minister this question? Am I correct in assuming that when an order has been passed exempting a class of regulations from being published, that order is published in the *Canada Gazette* once and that is the end of it so far as that class is concerned? For example, if an order is passed which prevents the control tower messages from being published, that will hold for all time or until a change is made.

Mr. St. Laurent: Yes.

Mr. Knowles: But in the case of individual regulations which may be of a temporary character, every time an order is passed exempting that particular individual regulation from being published, that exempting order will have to be published.

Mr. St. Laurent: Yes.

Mr. Knowles: So that about all it amounts to in these individual cases is that you are publishing it in a way that is not permanent; you are publishing it in the *Canada Gazette* rather than in the consolidated volume.

Mr. St. Laurent: No; the exempting order will be published, and it may be merely a temporary order. For instance, at Chalk River there may be an order made that a certain area for a certain number of weeks would be out of bounds. It might be felt that for security reasons it was inadvisable to call the attention of the general public to that. No one could be prosecuted under that unless it had been brought to his attention. But if it were at Chalk River, the hon. member for Winnipeg North Centre and I as member for Quebec East would not be interested at all. It would have to be shown that there had been indications in the immediate locality bringing that order to the attention of those who might be affected by it.

We had quite a discussion over the necessity of even publishing the order made exempting such things because of their security implications; but the decision was that we wanted to give as complete information as possible, and that we would have to take the risk. If there was something of a legislative character that was not going to be published we would have to take the risk of describing it as an excepting order, and we would have to make the excepting order public so that all members of parliament could question the propriety of our doing it. We wanted in no way to call attention to everything that was not going to come under the general provisions of the statute.

[Mr. St. Laurent.]

Mr. Knowles: So that it is clear that there cannot be any completely secret regulations. The regulations themselves can be secret, but only by virtue of an order in council passed under this subsection which exempts those regulations from being published?

Mr. St. Laurent: Yes, and you will have to make the exemption public. It may be that in certain cases we will have to use terms perfectly innocuous to attract as little attention as possible to anything that we think should not be talked about; but nevertheless it will be on the table of parliament, and if hon. members choose to talk about it, it will be their privilege to do so.

Mr. Fulton: I appreciate the fact that the Prime Minister does not want to tie his nor the government's hands with respect to future plans; but I wonder whether he can indicate the type of program for consolidation and publication he has in mind. In his speech on May 31 he said, as reported at page 3039 of *Hansard*:

> A consolidation of such statutory orders and regulations in effect on December 31, 1949, has been prepared and is in the hands of the king's printer.

Then he refers to the fact that not all of them are to be published in the form of the volume which was tabled. With respect to the future he said:

> Then we would have a systematized regular form for publishing anything new, so that it would be easier for all those who ought to be informed to know that, if it is not in such and such a place, it does not exist, and there is no need for taking into account anything that is not in this consolidation or that has not been published in the form called for by this bill.

That seems to me to indicate that the Prime Minister had in mind a form of publication. If I am right I should like to ask him what is the form? Is it the same as the one which I hold in my hand, and at what intervals is it proposed at present that they should be published in the future?

Mr. St. Laurent: There has been no decision in that regard. It has appeared to me that it would be desirable to have yearly, for a certain number of years, supplements to those five bulky volumes. I do not think it would be a proper expenditure of public money to republish these things too frequently; but I think there should be an annual supplement referring to the first consolidation just as we have in these indexes of case law every ten years or so a new issue and then yearly we get a supplement referring to such a page of the last publication and adding to or commenting upon whatever change has been made with respect to the matter disclosed on that page. I am not putting that forth as something that has as

yet been decided upon by the government, but it has been considered and it is the desire to do something practical.

One suggestion has been that we follow what has been found to be practicable by those law publishers with respect to consolidated digests of case law.

Mr. Fulton: Once a year.

Mr. St. Laurent: Once a year.

Mr. Fulton: It will not be in any sense a new consolidation; it will be a supplement bringing it up to date?

Mr. St. Laurent: I would not like to say that it will be this or it will be that. We are considering at the present time doing something which will not involve republishing too frequently these bulky volumes, and which nevertheless will be a handy instrument at the disposal of those who wish to see what has happened to whatever is contained in the bulky volumes.

Section agreed to.

Sections 10 and 11 agreed to.

Bill reported, read the third time and passed.

SUPPLY

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

DEPARTMENT OF NATIONAL REVENUE

259. General administration, $1,687,155.

Item stands.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $293,670.

Mr. Ross (Souris): Mr. Chairman, first I should like to pay a compliment to one of the staff of the Department of Agriculture.

An hon. Member: The minister?

Mr. Ross (Souris): I am never too uncomplimentary about him, although I do entirely disagree with his policy.

On this occasion I refer to Dr. Archibald, who was honoured recently, and who is head of the experimental farms throughout Canada from coast to coast. He has had a long record in the public service. When he was designated a year ago as the No. 1 farmer in Canada some difference of opinion was expressed from different parts of the nation. I have known this gentleman for a number of years; indeed I was associated with him in connection with P.F.R.A. before coming to Ottawa, in some of the very good work that organization did. I say without fear of successful contradiction that Dr. Archibald has earned for himself, without any argument, the title of No. 1 farmer in Canada.

He has been either head of or associated with the experimental farms for some thirty-three years. As most people will understand, these farms carry out research in connection with agriculture, and have performed a great service for the country. I have never known a public official with a greater knowledge of the problems with which he has been working, or one with more zeal and energy than Dr. Archibald.

In addition to the valuable work he did in connection with P.F.R.A. one must not forget the great service he has given in connection with the exhibitions held in the different provinces of Canada. Most people realize that those exhibitions are the show windows of agricultural communities. We have the Royal Winter Fair, which is recognized as the show place of Canadian agriculture, held every fall in Toronto.

As we have learned through the newspapers, this splendid public servant is due for retirement this year. I make this urgent request of the Minister of Agriculture, that while Dr. Archibald may be due for retirement, because of his vast knowledge of agriculture and the work he has done to assist that industry, his services be retained for some time to come. I make that request of the minister because I am sure Dr. Archibald could render a very useful service in the department, with that zeal and energy he has always applied to his task. I hope the minister will give serious consideration to retaining the services of this most valuable public servant who is now in his department.

Having said that, I turn to a matter in which I shall have to be somewhat more critical. This has to do with a question I placed on the order paper which was passed as an order for return. That return is contained in sessional paper 4E of Tuesday, May 16, and is as follows:

1. Is freight assistance on western feed grains granted in Canada beyond Fort William, Ontario or Vancouver, British Columbia?

2. If so, where to?

3. Are milling companies or feed companies permitted freight assistance or drawback on freight on oats or coarse grains purchased or handled by them?

4. If so, what companies during 1948 and 1949 obtained freight assistance or drawback on coarse grains and what amounts?

The attached information has been received by the Secretary of State of Canada from the Department of Agriculture.

Answer:

1. Freight assistance is paid on feed grain shipped from Fort William to all eastern provinces, and from Edmonton and Calgary to points in British Columbia.

2. Answered by No. 1.

3. Freight assistance is paid to wholesale handlers of feeds and feed grain on submission of proof that—

(1) The grain has been shipped and the freight paid.

(2) That the grain has been sold to a consumer, retail dealer or co-operative and

(3) That the consumer or retail buyer has been allowed the freight assistance claimed by the wholesaler.

4. Answered by No. 3.

I suggest this need not have been a motion for return; rather it could have been answered by the minister. Was not question No. 4 properly drawn? If it was, why was it not answered?

Mr. Gardiner: My recollection was that there were names attached to the answer. However I shall look into it, and if it is not complete I shall complete it after the dinner recess.

Mr. Ross (Souris): I have never received an answer, despite the fact that I raised the question in debate on another matter to show that we have had difficulty in securing answers to our questions.

Since that time I have been checking the public accounts as they are set out in the Auditor General's report for the year ending March, 1949. In that part of the report dealing with the Department of Agriculture I have found the following statement of expenditures for freight assistance since the inception of the policy:

	1948-49	Total to date
Grain shipped to:		
Eastern Canada	$16,015,428.67	$109,622,840.10
British Columbia ...	1,705,387.51	12,318,958.27
		$121,941,798.37
Refunds credited to previous years' war and demobilization expenditures		22,551.56
	$17,720,816.18	$121,919,246.81

These figures do not answer precisely the question I asked, because they refer to the fiscal year, whereas I referred to the calendar year. There will be a great deal more since that time because this policy has been continued since over a year ago. It will run well over that figure at this time.

I checked further down on the page to see what companies received the larger amounts and it is rather strange that these companies are the Lake of the Woods Milling Company, Ogilvie Flour Mills Company Limited, Purity Flour Mills Limited, Quaker Oats of Canada Limited, Robin Hood Flour Mills Limited and a number of smaller companies. Here are some of the amounts received, according to the Auditor General's report:

Ogilvie Flour Mills	$781,231.78
Purity Flour Mills	727,462.08
Robin Hood Flour Mills	817,934.50
Quaker Oats	597,844.01
Lake of the Woods	622,165.50
Maple Leaf Milling Company	1,221,038.00
Toronto Elevators	1,695,256.78

Then payments were made to the Hiram Walker Grain Corporation, Walkerville; the St. Lawrence Flour Mills, Montreal, and many others. I do not suppose there is any connection, but the first four names I have mentioned happen to be the first four milling companies mentioned in the report on the flour milling industry by the combines investigation commissioner.

Mr. Gardiner: Only because they are the largest mills.

Mr. Ross (Souris): I pointed out that they were the large mills and I am not saying that there is any connection. There is some rather interesting evidence in that report about these companies quite apart from the fact that they are the largest. I well recall early in September, 1947, when the price ceiling was still on, that dairy people and livestock feeders in my part of the country found it impossible to purchase feed. It is interesting to point out that one of these officials happened to be the controller of flour and feed at that particular time. Immediately the price ceiling came off on September 15, 1947, these people were able to get all the feed they wanted by the carload. That was the situation where I lived.

Mr. Gardiner: On a point of order, I have no objection to what my hon. friend is saying but I think he should say it on item 30. It is a little difficult to keep on hand all the information with regard to every item so that it will be available when we are dealing with the administration item. A general discussion is quite in order on this item and this is the third day that the general discussion has been going on. It is going to be rather difficult if we are going to have a discussion on each item at this time.

It is quite evident that these are the large milling companies who deliver feed to other persons and naturally they send in vouchers and the payment is made to them on account of freight, which they pass on to the individual who secures the grain. I think it would be much better to take up the items in order and as we come to them I shall be glad to answer the questions.

Mr. Ross (Souris): I raised this because it was a matter of administration. This practice has been followed in connection with other departments. I worded my question very pointedly and I did not receive the information.

Mr. Gardiner: It is quite all right on this administration item to ask why you did not get the information, but I would only have to guess at the answer if you start to discuss matters which should be taken up on a particular item.

Mr. Ross (Souris): I shall give the minister an opportunity to have these facts before him and at hand when we come to that item. I have simply quoted what is a matter of public record. I should like now to refer to a newspaper article which I am not going to say is authentic because we do get newspaper reports that are not correct. There has been nothing less than consternation over the cost of feed. This matter has been raised by eastern members and I want to put the figures on record. If this matter has been drawn to the attention of the Minister of Agriculture or other ministers I am surprised that nothing has been done about it. I quote from the *Financial Times* of April 28, 1950, as follows:

> What has been described as a nigger in the woodpile was handed us.

And again:

> Here is how my Montreal expert, Dr. Bose-Schlecht, describes the manoeuvre:
>
> "This week a grain merchant in Montreal shipped one carload of oats to Newfoundland. Drawback on the freight over $700. Dealer is reimbursed by the government—but is the consumer benefited?
>
> The dealer declares that the whole thing is one of the biggest scandals of recent years. Dairies, paper companies, purchasers of feeds all benefit. But does the small stock raiser who was supposed to get assistance ever get it? That is up to the retail dealer."

Then later on it goes on to say:

> Dr. Bose-Schlecht goes on to say: "The big thing as I understand it is that Montreal millers making oatmeal, etc., bring down supplies as 'feed'. A well known Montreal figure runs the lobby with his old pal (name omitted) and it is all for the farmer at both ends of the line, the grower in the west and the stock feeder in the east."

I want to make it quite clear that I do not suggest that the "name omitted" refers to the minister.

Mr. Gardiner: The obvious answer to that question is that the gentleman who is apparently giving the information is himself the culprit; he must have been the man who puts in the vouchers.

Mr. Ross (Souris): The article goes on:

> But as I heard it, at least at the receiving end—most of the benefits, that is to say, dollars, are going to people who can rebate to the party campaign fund. Liberal party that is.
>
> And of course it was only justified in the first place as a wartime measure to increase production of meat in eastern Canada and now Newfoundland is in it. And the war has been over for years.

We all know that it has been over for some five years.

Mr. Gardiner: My hon. friend knows also that that is just ordinary, rank political twaddle because there is no way in which any money of that kind could get into the campaign fund unless the farmers who receive it are using it to elect a government which has done something they wanted done.

Mr. Ross (Souris): I made it quite clear that I was not taking any responsibility for the article, but it is a newspaper article which people have read. The facts and figures I dealt with are to be found in the report of the Auditor General or in the report on the flour milling industry by the combines commissioner. I took no authority for those figures. I come back again to my original question to the minister as to why I did not get the definite answers I asked for and which have a direct bearing on the figures I gave.

Mr. Gardiner: The proper answer under the rules of this house would be to refer the hon. member to the documents he has mentioned. Hon. members are not supposed to ask questions of that kind, to ask for information which can be obtained from a government blue book.

Mr. Ross (Souris): That would not have been a proper answer because the report of the Auditor General only takes us up to March 31, 1949. If the minister will read my questions he will see that I asked for information covering the calendar years 1948 and 1949. You cannot get information with regard to the calendar year 1949 from any book. The department would be the only place to get that.

Mr. Catherwood: Could the minister give the details of the $10,000 for the delegation of technical agriculturists to Canada from the United Kingdom?

Mr. Gardiner: That is a return visit of British technical men. We sent over a delegation of seven last year. They examined activities over there and reported back. This year the British are sending seven to this country.

Mr. Fulton: What international agricultural conferences is it expected we will attend this year?

Mr. Gardiner: I do not know just which we will attend. I could probably give some information about those we might be expected to attend. Of course one would be

FAO, and there are others. The continuing committee, which has an agricultural representative on it, will be meeting shortly in London. We will probably have a representative there but we do not send representatives to all the conferences that are held. We will probably send delegations to the usual number, which is not more than five or six.

Mr. Fulton: You said that you will probably send delegations to the usual number. Did you actually spend the $16,000 last year? Perhaps we could get away with a little less this year.

Mr. Gardiner: I understand not all of it was spent last year.

Mr. Fulton: How much?

Mr. Gardiner: As to FAO I am told that the amount of $16,000 was allotted to this department, but we must pay the expenses of all those who attend that particular conference. They may not all be people from the Department of Agriculture. Finance, fisheries and a number of other departments are represented at that organization.

Mr. Fulton: What has happened to the director in chief of agricultural services? Has there been any change in the classification or have the services of that officer been disposed of?

Mr. Gardiner: He is the new deputy minister who happens to be sitting at the table.

Item agreed to.

2. Information service, $316,495.

Mr. Fulton: Referring to the details of this item at page 73, may I ask the minister what is the reason for the inclusion of an amount of $45,000 for the production of films?

Mr. Gardiner: It was in supplies and materials last year, and it is set up as a separate item this year.

Mr. Fulton: Is that paid to the national film board? Do they produce your films for you?

Mr. Gardiner: Yes.

Mr. Browne (St. John's West): Since this item deals with the information service, I wonder if it would be an opportune time to ask the minister if any part of the extra expense is owing to the fact that Newfoundland is now the tenth province? Have you any such establishment there?

Mr. Gardiner: A small part of it will be for Newfoundland, but there are other things as well. For greater efficiency in administration the information service was established by order in council P.C. 12/4847 of September 21, 1949, to take over the work of the former publicity and extension division, the departmental library, and such other units as might be assigned. The former publicity and extension division had thirty-eight permanent and seventeen temporary positions, making a total of fifty-five, while the departmental library had five permanent and ten temporary positions, a total of fifteen. This made a grand total of seventy positions in the units so grouped. The present authorized positions for the information service number seventy-three, indicating a net increase in positions of three, as follows: bilingual information officer; exhibits technician transferred from national film board; and exhibits technician appointed new.

Those are the changes that have been made in organization. Comparing the estimate with that of the former publicity and extension division, there is an apparent increase in the estimate of the information service of just under $74,000. This is made up as follows: (a) increase in printing and stationery vote to cover general increased costs of paper, etc., and to provide for payment of 8 per cent sales tax not formerly charged, $5,000; (b) transfer from general administration of the vote covering the library's purchase of books and periodicals and costs of binding, which for 1950-51 is estimated at $13,000; (c) salary increases due to (1) transfer from general administration of the library staff; (2) provision for salaries of the three new positions above; (3) increases in salary provisions for the service as a whole due to ordinary statutory increases, reclassifications and salary revisions, $57,000.

As to the change in setting out the item for films, the new item for documentary film production is $45,000. This actually represents a reduction of $2,000 for this purpose from the previous fiscal year, as it was formerly part of the item for acquisition of material, which now stands at $5,000 compared with $52,000 last year, a net provision in that year for film production of $47,000. In other words, the total amount is reduced by $2,000 but it appears here as a new item although it is expended elsewhere.

Mr. Bryce: I do not know whether I am on the right item, but I want to talk about advertising in Great Britain. Does that come under the Minister of Trade and Commerce or would it come under this item? I refer to the advertising of agricultural products.

Mr. Gardiner: We do not do the advertising in Great Britain. That is done by the Department of Trade and Commerce. It does not come under any item in this department.

Mr. Bryce: I think we should convince the people of Great Britain that United States bacon is not Canadian bacon, and that Canadian bacon is a far superior product.

Mr. Gardiner: When I came here fifteen years ago I had the idea of trying to put that into effect. The house and others raised the kind of objection that has been raised during the present session, namely, that there was an overlapping of expenditure, that it ought to be done by the department. It was put under trade and commerce, and I have not had anything to do with it since.

Mr. Bryce: It is absolutely necessary that it should be done in order to help us to sell our agricultural products in the British market. When over there last year I was surprised to see on a couple of occasions that Canadian new-laid eggs were being sold in Glasgow and London. We have to do something more than that. That is quite a job when you consider that these new-laid eggs came from western Canada. If we can prove to these people how rapidly we can transport the eggs and the facilities we have for keeping them cool so that they will not deteriorate in any way, we will be getting some place. I will raise the matter on the estimates of the Minister of Trade and Commerce.

Mr. Catherwood: Is the farm broadcast over the C.B.C. covered in this item for information service?

Mr. Gardiner: No, the costs are not covered here. We supply them with material but we have nothing to do with the costs.

Item agreed to.

3. Advisory committee on agricultural services, $5,000.

Mr. Fulton: Will the minister say a word about this committee? Who are its members and whom do they advise?

Mr. Knowles: And does he take the advice?

Mr. Ross (Souris): He has probably taken too much sometimes.

Mr. Gardiner: I have read this into the record each year for about fifteen years, and I wish someone would memorize it; it is not very difficult. The chairman is the Minister of Agriculture for Canada, and the committee is made up of the ministers of agriculture of all the provinces.

Mr. Fulton: Whom do they advise?

Mr. Gardiner: Would you like the names?

Mr. Fulton: No, but this seems rather odd. It is called an advisory committee, but whom does it advise?

Mr. Gardiner: Those men form the committee. The advisory committee is made up of the deputies of the same departments.

Item agreed to.

4. Contributions to commonwealth bureaux, $56,821.

Mr. Catherwood: Is this an empire organization set up for the purpose of pooling information on scientific agricultural advances? Would the minister outline the duties of this body and how this estimate is made up, as far as the commonwealth countries are concerned?

Mr. Gardiner: The commonwealth bureau of biological control is an organization that has its headquarters in Ottawa now. Prior to the war it was in London, but it was moved here and still operates here. The others are all in England. The headquarters of the bureau of biological control are now in the science service building at the dominion experimental farm, Ottawa. This building houses the Canadian division of entomology, including the national insect collections. It is now the headquarters of the biological control investigations unit of the division of entomology, the chief of which is Mr. A. B. Baird. Substations of the bureau are now located in the dominion parasite laboratory at Belleville, Ontario, the citrus experimental station at Riverside, California, the imperial college of tropical agriculture in Trinidad, in Montevideo, Uruguay, and Zurich, Switzerland. Agents and temporary assistants are handling projects for the bureau in many parts of Europe. The bureau is prepared to supply information on the natural enemies of insect and plant pests or in regard to any questions relating to work in the field of biological control. I think that information will give a general idea of the work being done.

Item agreed to.

Science service—

5. Science service administration, $1,229,750.

Mr. Browne (St. John's West): How much was spent last year for co-operative investigations? That is the last item on page 74 of the details.

Mr. Gardiner: I presume the hon. member is referring to co-operative marketing organizations?

Mr. Browne (St. John's West): It just says "co-operative investigations."

Mr. Gardiner: I understand we are still on item No. 4, so it is not the last item in this vote; but it has to do with work carried on in the universities.

The Deputy Chairman: Order. The item now before the committee is No. 5, science service administration.

Mr. Browne (St. John's West): I wonder if the minister could tell us what sort of

investigations are being carried on, whether they are in connection with marketing, producing or what?

Mr. Gardiner: This is the scientific work carried on in the laboratories of universities, where they have equipment to do things we cannot do here at the central farm or elsewhere. We make arrangements with these universities right across Canada to carry on such work. I do not know whether it is generally understood, but some of the universities in Canada have their agricultural colleges right on the same campus with the other university institutions. That is true in Alberta, Saskatchewan, Manitoba and British Columbia. Some of the others have their agricultural colleges at other points.

Mr. Browne (St. John's West): It has nothing to do with co-operative marketing or producing, then?

Mr. Gardiner: No, not with what are generally understood as co-operative organizations. It is co-operation between the universities and ourselves.

Mr. Browne (St. John's West): What is the explanation for the increase?

Mr. Gardiner: It is only about $900 higher, and is accounted for principally by increases in salary.

Mr. Catherwood: Under this item I see an amount of $984,950 for the acquisition or construction of buildings and works. That is quite an expenditure. Would the minister give us an idea where this money is to be spent?

Mr. Gardiner: Those are the buildings that are to be put up at different places, one at London, another at Kentville and another at Ste. Anne de la Pocatiere. They are buildings with which we are assisting which do not properly belong under any of the other general votes.

Mr. White (Middlesex East): Does this concern the new building you have put up at the university of Western Ontario?

Mr. Gardiner: Yes.

Item agreed to.

6. Animal and poultry pathology, $388,640.

Mr. Pearkes: During the last few months the flocks on Vancouver island have been attacked by Newcastle disease, which apparently has been brought over from the Fraser valley. During April I asked whether it would be practicable to make Vancouver island a protected area, a request which had been sent to me by the farmers' institute. I was told at that time that the disease was well in hand, but now it has broken out at half a dozen places on the island. Last year the pathological laboratory at Saanichton was closed and moved over to Vancouver. Is there an adequate number of veterinaries now available to cope with this disease, and will the minister consider permitting vaccines to be used in the way I understand they are used in the northwestern states?

Mr. Gardiner: I would prefer to deal with that question under item 17, the administration of animal contagious diseases. However, I may say it is being dealt with rather effectively. Of course, as always occurs in such outbreaks, there are some unexpected things happening along the way, but they think they have it fairly well under control.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Catherwood: Can the minister tell us what progress is being made in research looking toward the elimination of coccidiosis in poultry? I should also like to know how many animal and poultry pathology laboratories there are across Canada.

Mr. Gardiner: There are Macdonald College, Hull, Ottawa, Lethbridge, Vancouver, and Sackville.

Mr. Catherwood: I should also like to know what progress is being made in research with regard to the elimination of coccidiosis in poultry.

Mr. Gardiner: I am sorry, but we do not appear to have a record of it here; but it is proceeding.

Mr. Catherwood: Would the minister be able to get that information later?

Mr. Gardiner: We can get it later.

Item agreed to.

Science service—
7. Bacteriology and dairy research, $177,305.

Mr. Catherwood: On this item—

Mr. Gardiner: I wish my hon. friend would speak out. I cannot hear anything he is saying.

Mr. Catherwood: I think this matter of dairy research is an extremely important service; and every effort should be made to develop new uses for dairy products. If there were an increase in the estimates for further research in this matter, I think it would be greatly justified. I would suggest that a further increase in the amount for this purpose should be given serious consideration.

Mr. Fulton: Can the minister tell us what new equipment and so on it is intended to acquire that accounts for the $35,000 increase in this item over last year?

Mr. Gardiner: It is practically all for equipment for the London laboratory and for the research branch here at Ottawa.

Mr. Charlton: I do not know whether this is the proper item under which to take the matter up, but I think that you, Mr. Chairman, and all other members of the committee will realize that there has been a considerable change in the ice cream, especially that which we have been getting in the parliamentary restaurant and cafeteria within the last year or so. There is a good consistency about any bulk ice cream that we get but as to the bricks and the "MelOrols" particularly, when they get a little bit soft there is practically nothing left; it seems to be half air. Can the minister tell us what the requirements are as to the butterfat content and the solid content of ice cream and whether there is any difference in that requirement for bricks or "MelOrols" and for the bulk ice cream.

Mr. Gardiner: They are all the same; that is, there is no difference between bricks and other forms. The regulation is that the butterfat content shall be—I am not absolutely certain, but I think it was 14 per cent before the war. Then we reduced it to 9 per cent and we put it back to either 13 per cent or 14 per cent but I think it is the same as it was before the war.

Mr. Charlton: How about the solids?

Mr. Gardiner: They are on the same basis as they were before the war.

Mr. Charlton: Then what accounts for the difference in this ice cream, as between the bulk ice cream and the bricks and "MelOrols"?

Mr. Gardiner: I suppose it will depend somewhat on where you are eating the ice cream. Some people may provide you with ice cream that is even above the minimum requirements, and some do not.

Mr. Knowles: Not in the cafeteria.

Mr. Charlton: If it is the same brand of ice cream, no matter where you get it, it is all the same.

Some hon. Members: No.

Mr. Gardiner: Oh, no.

Item agreed to.

Science service—

8. Botany and plant pathology, $1,343,687.

Mr. Herridge: I should like to ask the minister a question with regard to little cherry disease. This is a matter of great interest to cherry growers in the interior of British Columbia. In the minister's report there is a brief account of what is being done in that respect. I think the investigation is of such great importance to the fruit industry in British Columbia that the report should contain a more detailed explanation of the work that is being done. I should like to ask the minister what has been done to date, and if it would be possible to obtain a fairly detailed report with regard to the research, and the success, to date, with respect to little cherry disease.

Mr. Gardiner: The report which I have here on little cherry disease indicates that it is caused by a virus and that it continues to spread in the Kootenay and Arrow lake districts, as revealed by surveys conducted by dominion and provincial officials. The insertion of buds from diseased cherry trees into peach, prune, apricot, choke cherry and wild cherry and of buds of peach, prune and choke cherry growing near diseased cherry trees into healthy trees, and the artificial pollination of healthy cherry trees with pollen from diseased trees all failed to produce any clear-cut symptom the following year, as it would be expected if the little cherry disease had been transmitted. A tree-to-tree survey was conducted in the Okanagan valley by provincial officials, with assistance from the staff of the Summerland laboratory of plant pathology, and which covered all the southern part and up to the end, including Kelowna. No tree with definite symptoms of little cherry disease was found. One tree in the Oliver district was removed on suspicion.

Mr. Browne (St. John's West): The other day, in answer to a question, the parliamentary assistant to the minister told me that potatoes could not be sent from Newfoundland to any other province in Canada because of the prevalence of wart disease. I should like to know if the departmental officials are doing anything to help overcome that disease.

Mr. Gardiner: We are carrying on experiments this year for the first time. Of course this is the first year we have had an opportunity of doing so.

Mr. Browne (St. John's West): On that subject?

Mr. Gardiner: Yes. But potatoes are not permitted to be imported or to be exported

from there up to now. I hope that these studies will lead to our finally getting to the point where they can be.

Mr. Browne (St. John's West): I hope so, because we can do a business of exporting seed potatoes if we can get that disease cleared up.

Mr. Gardiner: I can quite understand that.

Mr. Fulton: There is a substantial increase in the number of employees in this branch, from 344 to 407, or an increase of 63 employees altogether, with a somewhat corresponding increase in travelling expenses. Can the minister tell us what enlarged activities the branch is undertaking that account for the increase?

Mr. Gardiner: The figures are given there for the different increases, right through. There was one director before; there is one now. The figures are the same down to agricultural scientists. There are two now where there were none before, grade 8. The next increase is in clerks, grade 4. There are two now where there was one before.

Mr. Fulton: I appreciate the fact that the number of personnel are set out and that the increase is detailed. But what I am wondering is what increased activities the branch is undertaking that should make necessary the 63 extra personnel in one year.

Mr. Gardiner: I understand that the main increase has been in the taking over of some of the staff from entomology. That is the new laboratory at Lethbridge.

Mr. Fulton: There are 64 extra personnel in the agricultural entomology branch this year as compared with last year.

Mr. Gardiner: Yes; we have the new building at London and at other places; these new buildings we were speaking of before dinner. There was an expenditure of $984,950 on buildings, and there was an expenditure of $682,500 last year. These buildings have to be manned with staff. Their staffs are dealing with just that particular kind of work.

Mr. Fulton: This entomology—

Mr. Gardiner: The building at Lethbridge, for example, which we discussed at some length last year, has been put into use this year. The building at London will require a staff. Any other buildings that are put in operation will require more staff.

Mr. Catherwood: Is any progress being made in developing grain resistant to smut? We realize that the seed is being treated with good results, but this is only a temporary measure. Will the minister tell us what progress has been made in this matter?

Mr. Gardiner: They are producing of course, and have been for many years, smut resistant varieties of grain; but as was suggested by the hon. member, the chief method of dealing with smut is to have the seed itself treated, and that has met with very considerable success. Back over the years we have changed from one thing to another to be used on the grain, but nevertheless smut has been very effectively dealt with in that manner.

Mr. Charlton: Is there any effective cure for root rot in oats?

Mr. Gardiner: Organic mercury dusts are effective in preventing the development of root rot, particularly where the seed or the soil was badly contaminated by root-rotting fungi. That is the only effective method that we have knowledge of.

Item agreed to.

9. Agricultural chemistry, $495,320.

Mr. Catherwood: I see there is an increase in the number of temporary employees by 25. What is the general nature of their work? Are these mostly students working part time with the idea of taking them on permanently?

Mr. Gardiner: Mostly students, but there has been some extension of work which did require more temporaries other than students. The department, as will be understood, has had a certain percentage assigned to it as to the number of temporaries that they can have on their staff, and as the number of employees goes up the number of temporaries in relation to the permanents will go up somewhat also. But this mostly has to do with what has been suggested by the hon. member, namely, the taking on of students to do temporary work.

Item agreed to.

10. Agricultural entomology, $1,546,510.

Mr. Ross (Souris): What contribution do the federal authorities make toward assisting the provinces in fighting grasshoppers? For instance, in the three prairie provinces their employees make surveys of the eggs and draw maps of the areas. Under favourable weather conditions it looks as if we may have a bad outbreak even this season. How far do the federal people go in helping to fight that plague?

Mr. Gardiner: We make the surveys and map the areas where there is likely to be infestation. The provinces really fight the grasshoppers.

Mr. Ross (Souris): The federal people do not enter into paying for any of the poison bait at all?

Mr. Gardiner: No.

Mr. Fulton: I want to ask a question about the travelling expenses in this branch. I want to say this by way of preface. I realize that when these various science services and so on are set up in the departments, to give the service to the people, in whose behalf they operate, namely, the people of Canada, they obviously must travel around and do a certain amount of research. My approach to this question, however, is based on the fact that if we can get travelling expenses down to a minimum then we shall have more money to expend on the concrete results of their work; and that applies generally throughout the government service. For instance, I notice there has been an increase in an already very substantial account for travelling expenses from $105,000 to $117,000, about one-thirteenth of the total expenditures of the branch. It causes me to question the matter and ask the minister how much was actually spent last year, and whether there is any chance of reducing this item below its present level?

Mr. Sinclair: That is because of foot and mouth disease in Kamloops.

Mr. Fulton: That was caused by the Liberal politicians who came into that district in the election campaign in an attempt to defeat the present member. If they had stayed away we would not have foot and mouth disease; at any rate we would not have had mouth disease.

Mr. Ross (Souris): Has the minister the same confidence in the other prairie provinces fighting grasshoppers as he professes to have in the Saskatchewan government? Does it apply to Manitoba?

Mr. Gardiner: I think they all did all right.

Mr. Fulton: I asked the minister a question about travelling expenses and the reason for the increase.

Mr. Gardiner: The difference is $117,000 as compared with $105,000 last year. And that of course would be brought about by the fact that there are some extras on, as was indicated a few moments ago. I do not altogether agree with the suggestion that you will have more money to spend doing a job if you travel less. I do not think it is possible to do this work without travelling. The inspectors in connection with the kind of work that is carried on, or anyone who is associated with it, must do a certain amount of travelling. If we reduce the travelling it does not necessarily mean that they are doing more work. It may mean that they are doing less.

Mr. Charlton: In that regard, how many government officials are there in that department driving government-owned cars? Are there any of them driving their own cars on a mileage basis?

Mr. Gardiner: There are about 300 in the science service.

Mr. Charlton: The total in the science service? Has the minister any figures of the difference in costs as between keeping up a government car and paying mileage to a man who owns his own car?

Mr. Gardiner: Well, we try to make it pretty much the same. If it becomes more costly to do it in one way, then we switch over to the other method. But it depends somewhat on the length of mileage a man travels. If a person operates on a great mileage, then of course we usually supply him with a car.

Mr. Charlton: The minister should have some idea of the mileage cost of a car, for instance, that has been going two years and has travelled 30,000 or 40,000 miles. I realize that as a car gets older it costs more to operate. The minister should have some idea of the cost of the mileage of a car, say, in the second year.

Mr. Gardiner: The operation costs have been different at different times. When I went into the government service first they allowed 10 cents a mile. At a later date it was 7 cents a mile. There seems to be a little doubt among hon. members as to whether it is 7 or 8 cents a mile. But one can understand that when gasoline is costing 45 cents it must cost considerably more to operate a car than it did when gasoline was costing 23 cents. I understand now, having been corrected as to the figure, that it is actually about 9 cents at the present time. It has been up and down, having been 10 cents at one time and 7 cents at another.

Mr. Charlton: I did not ask what we were paying in respect of cars owned by persons working for the department. What is the cost per mile of government-owned cars?

Mr. Gardiner: Between 5 and 6 cents, depending somewhat upon who operates the car and the distances the cars are operated. On that basis it costs less to operate a government car than to operate the others. It must be considered however that the individual has to replace his car as well as pay the cost of operation. It works out at about the same figure.

Mr. Charlton: Taking the total cost of capitalization, interest and everything?

Mr. Gardiner: Yes.

Mr. Charlton: Are the government cars covered by insurance?

Mr. Gardiner: No, the government carries its own insurance.

Mr. Charlton: What about public liability and property damage? Is the driver of a government-owned car personally liable for any damage, whether it is his fault or that of the other driver?

Mr. Gardiner: If our man is responsible, we pay it.

Mr. Charlton: I do not like to say the minister is not telling the truth, but his answer is different from the way I have heard it. I have known chaps driving government cars who have felt their responsibility very heavily and, knowing very well the government is not going to stand behind them, many of them have put insurance on in which they have covered themselves for public liability and property damage. This has been done at their own expense. I understand further there is no way they can get that money back from the government.

Mr. Gardiner: Perhaps one case I have in mind would illustrate the point about as well as any. These cases, by the way, are taken to treasury board, when they come up. If they are payments which ought to be made by the government, they are made by the government. Perhaps the hon. member for Kamloops will recall the one I am about to mention, where the gentleman went out and got his groceries to bring them back to his home. When he came out to his car there was a bear on top of it trying to pick a hole through the car, to get at the food. He could not chase the bear off, so he undertook to shake it off by starting his car and running it down the road. So intent was he upon shaking off the bear that he ran into a tree and smashed his car. We thought we ought to pay for the damage, and we did pay for it. That is one case, but there are many others—perhaps not quite like that one. However, the government does pay when we feel we are warranted.

Mr. Pearkes: That is a good fish story.

Mr. Charlton: I have driven government cars, and I know what it feels like. But if a man takes enough interest in his car to insure it, I do not think it is right that he should have to pay for that insurance himself. When he gets into an accident, whether it is his fault or not, I think he should be protected.

[Mr. Gardiner.]

Mr. Gardiner: Every case is examined into. He may insure if he desires to do so. However, examination is made into every case where there is a claim, and if it is considered that payment should be made it is made.

Item agreed to.

Science service—

11. Forest entomology, $1,222,839.

Mr. Herridge: Mr. Chairman, this department administers a great industry in Canada, and I hope hon. members will not question the additions to staff that are so necessary. Throughout the years there have been shortages in staff in many of the provinces, and I am quite sure farmers of this country are pleased to see work being done that has been neglected for some years.

So far as travelling expenses are concerned, it is my opinion that the men working in this department cannot do a good job unless they travel. It has been my experience that officials of the Department of Agriculture travel as cheaply as those of any department of government. I have found them on many occasions seeking to get accommodation by getting rides, and have even found them trying to cut down expenses to the extent of borrowing my own broncho and buggy.

I understand the minister's department is conducting investigations in connection with forest insect tests in conjunction with the forest service of the Department of Resources and Development. Some investigation is being carried on in the interior of British Columbia. How many men are engaged in that work at the present time, and what work is contemplated during the coming season in that area?

Mr. Gardiner: The hon. member is correct when he says that the Department of Agriculture does research work in this connection. We conduct research into the matter of providing parasites to fight other insects. We breed armies of them and arrange to have them turned loose so that they may put up a battle against the worms which damage the crops and the forests. That kind of work is done in our laboratories, and these insects are put out. The best illustration which comes to my mind, offhand, was the cutworm infestation of my own farm on one occasion. These little insects we have bred and put out were there in large numbers. After a rain, when the cutworms had to come above the ground to get air, these insects were darting around the place, stinging each worm, and gradually wiped them out.

Then, we do breed parasites that prey upon insects and worms which damage crops and forests in general. That is our end of

the work; but the work of actually fighting the difficulties that arise in the forests is not under this department.

Mr. Fraser: The other day I asked a question about the worm or caterpillar which attacks the oak, basswood, maple, elm and other trees. I believe at the present time they are found in great numbers in Muskoka, and have gone up to Haliburton. They travel by the million, and when they cross a road it is absolutely black with them. They will bleed a tree in half an hour.

Mr. Harris (Danforth): A kind of yellowish black.

Mr. Fraser: They are green in colour, and range from one to two inches in length. What is the government doing about this pest?

Mr. Gardiner: There are different ways of dealing with them. I do not know about the particular movement of army worms to which the hon. member has referred, but we have worms of that kind in the west, and I believe they are found in all parts of Canada at different times. One method of dealing with them is to put tarpaper around the bottom of the tree, and then put grease on it. But one should be properly informed before he begins to do that. A whole row of trees on my own place were killed by a man who stopped reading where the instruction said to put on the grease; he did not note that it had also said to put tarpaper on the tree first. This man put the grease around the bottom of the trees and killed them more effectively than the worms would have done. So it is necessary to inform oneself properly before beginning to fight these pests.

However, there are successful methods of fighting them, depending of course upon the nature of the worm. The method I have described is one that is followed in fighting the army worm—that is, to put grease on paper around the bottom of a tree, so that they will not go up the tree. However we have found in the west that, so far as that particular grub is concerned, they do not actually kill the trees. They take the leaves off the tree and there is a dropping of sap to the extent that you almost need an umbrella when walking underneath. But the leaves come on again and the trees continue to live. For example, some three or four years ago the leaves came off the apple trees down around Trenton three times in the season for different reasons, one being frost, but eventually most of the trees lived. The battle has to be continued against them, but one has to be careful whether he sprays or what he does in order to deal with them in the right manner and at the right time. I think those who are familiar with the necessity of fighting pests of that kind know the method to use in connection with their own operations.

Mr. Fraser: I would like the minister to come up to our part of the country where we have some million trees and try to put tarpaper around them. The oak trees are suffering especially. The leaves came off some of them last year and today some of those trees are dead while others are only half alive, the tops being gone. With the leaves going this year again on the same trees I am afraid they will die. I wonder if some other method could be used than the tarpaper and grease. We have tried that but you can handle only a few trees with that method. If you use D.D.T. from the air you kill the birds and then you are worse off than before.

Mr. Ferguson: Has the minister's department discovered why the apples from Simcoe county are so far superior in all respects to those from British Columbia?

Mr. Fair: Have any effective means been discovered to deal with the aphides that are affecting grain at the present time? I understand that this pest is now to be found in Manitoba and if it is not treated successfully, sooner or later it will reach the other provinces.

Mr. Gardiner: The campaign being carried on against the green aphides is the same as that carried on against the grasshoppers. We undertake to map the different areas that may be infested and the provincial government does the actual work to combat the insect.

Mr. Ross (Souris): I think it would be most useful if the minister could give us a little more information about this pest. We had a considerable infestation in our part of the country last year. A rather expensive poison was brought in from the United States but it was so deadly people were frightened to use it because there were reports of loss of life in the United States from its use. Then we are told that where crops are sprayed in an effort to kill weeds apparently there are also killed those parasites that would take care of these aphides. In my neighbourhood crops that were sprayed for this purpose were those that suffered most severely from this infestation.

Mr. Gardiner: I am instructed by the officials that so far as they know there is no relationship between spraying the crop and the infestation; it is a matter of weather conditions rather than actual spraying. The green aphid or green bug appeared suddenly in enormous numbers in southern Manitoba and southeastern Saskatchewan and inflicted extensive damage. They were reported from widely scattered points in southern British Columbia. Normally this insect is

a severe pest in the southern United States and occasionally appears in numbers in the Dakotas, Minnesota and Wisconsin but is rarely found in Canada. It is not known whether this insect can successful pass the winter in Canada but it is generally supposed that the Canadian infestations are a direct migration from further south. The green bug appeared so suddenly last year and in such enormous numbers that it was thought quite unlikely that they had developed locally. Pyrethrum sprays gave a good deal of control when used in a control campaign. I am referring to the 1949 report.

Mr. Charlton: I understand that the two per cent wettable spray which is not allowed into Canada is not nearly as dangerous as the fifteen per cent powder spray that is available. Has the minister any information on that?

Mr. Gardiner: We would have to know the content of the powder or the liquid before we could give definite information.

Mr. Charlton: This is a particular chemical that is used to kill aphides and it is the only one that can be bought in large quantities. There is considerable danger in mixing this dry powder while there is not nearly the danger in using the two per cent wettable or fluid mixture. I suggest that the department get in touch with the customs and excise branch to see if the less dangerous material cannot be allowed to enter the country.

Mr. Hodgson: Could the minister have someone from his department go into the northern parts of Victoria and Haliburton counties to see if anything can be done about the army worm that is destroying great stretches of forest in those areas?

Mr. Gardiner: There are men up there on that work at the present time.

Item agreed to.

12. Plant protection, $731,705.

Mr. Catherwood: What precautionary measures are taken in connection with the importation of plants and bulbs from foreign countries? Is an inspection made when they enter the country?

Mr. Gardiner: There are rather strict regulations and an inspection is made at all ports of entry. It is rather difficult to have plants put on a boat or a plane or offered for transportation in any other way without inspection, whether they are coming in or going out.

Item agreed to.

[Mr. Gardiner.]

Experimental farms service—

13. Experimental farms service administration, $129,780.

Mr. Murray (Cariboo): Will the minister give some thought to establishing an experimental farm north of the Peace river in British Columbia? There are large settlements of people there and a great many more are coming in. Entirely new conditions in regard to agriculture are being met. It seems to me that one of the experimental farms in the older part of the south might be spared and removed bodily beyond the Peace in order to help meet these new conditions.

Mr. Gardiner: I think the nearest approach to an experimental farm in the north is at Beaverlodge, which is not far removed from Dawson Creek. I am going to drive the Alaska highway as soon as we can get this house closed with the idea of visiting all the stations which we have from Dawson Creek north. I think we have about a dozen of them between there and Dawson City. I intend to visit them all with the idea of determining whether they are performing the service which is necessary, and if they are not performing the service necessary to determine whether or not we require further developments in that region. I hope I will see the hon. member when I am in that area.

Mr. Wylie: The constituency of Medicine Hat happens to be one that does not have an experimental farm with the exception of the dominion range station which has been of wonderful value not only to the ranchers of that area but to many others. The citizens of Medicine Hat have one complaint concerning it, that it is too far away from the city. It is a distance of about eighty or eighty-five miles from Medicine Hat to the range station. The Manyberries range station has been specializing in grass and investigating the number of cattle that a quarter section can support. In addition they have small fruits and trees which they have shown can be produced on similar irrigation projects where there is a supply of water.

No doubt the minister knows the range station quite well. A coulee has been dammed off where they store the water from the spring run-off, and they utilize it during the summer. The majority of the citizens of Medicine Hat never see the range station, and in view of the fact that we expect great irrigation developments in that area within the next three or four years I believe it would be to the advantage of everyone there if the Department of Agriculture should see fit to open a new experimental station close to Medicine Hat. There is a small irrigation project at Ross creek, and part of that land

could be easily utilized to show what can be done by irrigation. I should like to ask the minister if any consideration has been given to having an experimental farm established close to the city of Medicine Hat so that the people of that area can really see what can be done when you provide some water for the land.

Mr. Gardiner: The experimental farms we have across Canada are of many different kinds. They are placed in different areas to do the work required in those areas. The region south of Medicine Hat has been a ranching area, and while it is quite true that the station at Manyberries is located beside a pool of water created by damming a creek, nevertheless we have 30,000 acres of land in that region with which we are experimenting. I think it is by far the largest experimental operation in Canada. We have 30,000 acres of land leased from the provincial government, and the primary purpose of the experiment is to find out whether or not grasses which can be sown in that area will maintain more cattle per acre than the natural grass, or what the relationship is between the grasses. My understanding is they have found it requires about 30 acres of natural prairie to maintain an animal. That will indicate to people in eastern Canada who maintain thirty or forty on a hundred acres of land that ranching is an undertaking which requires a considerable amount of land. That is the experimental work necessary in that section and the work which is done there. Very close checks are kept. I have gone over a considerable part of the area, examined the markings they have and the manner in which they test the number of cattle that can be run on the different acreages. The work is very successfully carried on, and I think it is most helpful to people living in that section.

As to the other areas, I think nearly all of the irrigation districts have special experimental stations. As the hon. member for Medicine Hat knows, the operation at Brooks is a provincial one and there is experimental work carried on there. We have other experimental stations in connection with other operations in Alberta, and I think it is generally acknowledged that they are as well supplied with that kind of station as any of the provinces of Canada.

Mr. Wylie: I realize that the Manyberries range station has done wonderful work so far as grazing land is concerned. We have a provincial station at Brooks, but as the minister knows it is mostly concerned with horticulture. We have substations throughout the area where test plots are operated by the elevator companies. I believe it is the wheat pool and the Searle Grain Company that have small plots throughout the district growing certain kinds of grain, but they are insufficient to give the people a real idea of what can be grown there. I see no reason why we should not have an experimental station closer to Medicine Hat where the people could see what can be done with irrigation. There are many areas similar to the Manyberries range station where dams can be built, the spring run-offs held back and many grasses, grains and fruits grown. I think that would be most beneficial to Medicine Hat especially in view of future irrigation developments.

I appreciate the wonderful work that has been carried on at the Manyberries range station. As the minister said, it requires about 30 acres of land per head of cattle per year. Many eastern members might want to dispute that but it must also be remembered that the provincial government lease their lands on the basis of three head per quarter section, 160 acres. Wonderful results have been achieved at the Manyberries range station, but we would like to see a station established closer to Medicine Hat, perhaps on the Ross creek irrigation project, or some place within easy driving distance of the city. Then the people could see what can be done. I think it is a good idea and a timely one.

Mr. Thomas: I should like to ask the minister how many employees there are currently at the Lacombe experimental farm, and also the amount of damage incurred during the storm from which they suffered last autumn. I understand it was quite considerable.

Mr. Gardiner: Last year there were drought, hail and frost.

Mr. Thomas: The particular storm I was referring to was a windstorm which blew down many of the trees.

Mr. Gardiner: I have no particular report on a windstorm. They tell me there was hail damage, which probably went along with the wind, and that there was also damage at that farm last year from drought and frost. I will get the number employed at the farm.

Mr. Thomas: While you are looking that up, if you cannot give me a break-down on the storm damage perhaps you can tell me the cost of upkeep for that station last year.

Mr. Gardiner: The cost of the Lacombe farm last year was $147,395. This year it will be $203,048, an increase of $55,653. That increase is largely accounted for by a building item.

Mr. Wylie: May I ask the minister if his department has given any consideration to establishing an experimental farm at Medicine Hat.

Mr. Gardiner: The best experimental plot I have even seen in western Canada is only about a mile away from Medicine Hat. It is not operated by the government, or was not when I was familiar with it. I refer to the area just west of the town, where they have pump irrigation. The first time I went to Medicine Hat to investigate anything they took me there to show me the good job that had been done by the two men who were working as partners handling and feeding cattle. They grew corn, sunflowers and everything that can be grown, by means of irrigation; and they fed cattle very successfully. As far as the government is concerned, as my hon. friend knows we are endeavouring to develop the Vauxhall area just as soon as we can get title to the land, so we hope it will not be too long before we will have an experimental station there. That is within easy distance of Medicine Hat; it does not take very long to get out there, and that is certainly under consideration. I cannot say any other area is under consideration at the moment.

Mr. Wylie: Even the Vauxhall area is sixty or seventy miles north of Medicine Hat, and we would like a station closer than that. The farm to which the minister refers, where they grow corn and feed cattle, is but one of a number of such farms all along the river, both east and west of Medicine Hat. These small irrigation projects, where they pump the water from the river, have been very successful, but the people of Medicine Hat want a farm with nice trees, where they can really spend an enjoyable day. There is plenty of land within a few miles of the city that could be utilized for this purpose, and that is their request at the present time.

Mr. Fraser: Is there any revenue from the central experimental farm at Ottawa?

Mr. Gardiner: The total revenue is about $400,000.

Mr. Bryce: I wonder if the minister would care to comment on the work being done at the experimental farms of Canada in connection with artificial insemination. I have had the opportunity of discussing this matter with the minister, and I know he has carried on some investigations during his visit to Europe. This is something we must face sooner or later, and I believe it is a step in the right direction. If you want to increase your milk production this is the best way to do it. In three years you could have practically the same amount of milk from about seventy-five per cent of the cows now required. I believe something has been done in that connection at the Kemptville farm, and this spring I had the opportunity of visiting one of the stations operated by the Scottish milk board, where they have had wonderful success.

There is another feature to it. Every year in Canada at least half a dozen farmers are killed by bulls. Artificial insemination would do away with that danger on the farm. It is also cheaper. Some bulls in Britain cost ten thousand guineas today; but by this method, instead of getting just an ordinary heifer that will give maybe 800 gallons of milk, a farmer can get a cow that will give perhaps 1,200 gallons of milk. This means that with fewer but better animals the milk production can be increased. I do not know how it would work with beef cattle, but as far as the dairy breeds are concerned it has been a great success. I would be glad if the minister would comment on this matter for my own personal information, if not for the benefit of the rest of the committee. It seems to me that it would be a wonderful thing for farmers who have only from eight to twenty cows, and no bulls, to be able to get heifer calves that would be really worth something in the market.

Mr. Gardiner: Of course the proper item under which this should be discussed is production services, but for the moment I might just say that in the Fraser river valley we did assist by supplying bulls for this purpose, and we have also assisted in the same way at Truro, Nova Scotia. That is about as far as we can get from Manitoba in both directions. Most of that kind of work is done by the provinces. In Ontario, for example, experimental work is being carried on at Kemptville. I have seen the activities there, and I quite agree that very helpful work can be done. I also understand that some prominent breeders in Ontario carry on this work themselves, no doubt with some assistance from the provincial government. At Dryden farm, for example, they do a good deal of that kind of breeding, and I think it is becoming quite a common thing elsewhere. However, we are not promoting it beyond providing some bulls in certain areas for these purposes.

Mr. Macdonnell (Greenwood): I wonder if this would be the proper item under which I might return to a question I asked the minister some little time ago with respect to the apparent duplication of scientific experts as between the Department of Trade and Commerce and the Department of Agriculture. At that time the minister made a very interesting speech, in the first part of which he more or less gave me an answer, and in the latter part of which he ranged all over the place in a very delightful manner. I realized that I had served a very useful purpose by giving the

minister an opportunity to make that speech which no doubt had been in his mind, but now I want to come back to my question. He partly answered it by pointing out that there was an apparent duplication in the selling agencies but that it was only apparent, because the Department of Trade and Commerce had the foreign field in which to operate while the Department of Agriculture had the domestic field. That was his answer as I recall it. At that time I think the minister said nothing with regard to the apparent duplication of scientific officers, of whom there are quite a number. If this is the proper place to ask this question, perhaps the minister would indicate to us how many scientific officers there are; how many officers there are in the Department of Trade and Commerce dealing with scientific agricultural subjects and how many there are, roughly, in the Department of Agriculture, and satisfy us that there is in fact no duplication, if that is a fact.

Mr. Gardiner: I do not know of any scientific agriculturists in the Department of Trade and Commerce. My officials tell me that that is true, that there are not any as far as they know. There are some what might be called scientific operators in the Department of Resources and Development which has to do with fighting pests in the forests and that sort of thing. Their work does not overlap with ours but there is co-operation between the two departments in operating there. So far as I know, however, there are no scientific specialists in the Department of Trade and Commerce. There may be some persons who could qualify as scientists who are there employed on certain work that is being done; but we do not know of any employed in that way.

Mr. Macdonnell (Greenwood): If the minister will allow me to do so, I will return to this question a little later on. In the meantime I will go and get my list because I am afraid I have left it upstairs.

An hon. Member: The telephone book.

Mr. Macdonnell (Greenwood): Yes; that is quite right. I should be happy if the minister would just indicate how many there are. I have no means of knowing that they are experts. They just look, in the list, as though they were experts, and they appear to be called that; but I will revert to this question later.

Mr. Thomas: Has the minister the number of employees on the Lacombe farm?

Mr. Gardiner: About 35 people are employed on the Lacombe farm.

Mr. McLure: I should like to ask one question with regard to item 13, on the experimental farms service. This year there is quite a large increase, about half a million dollars, in the central experimental farm estimate. Can the minister give the committee some idea what this is for? I understood him to say a few minutes ago that the total revenue from the experimental farm was some $400,000. That seems to be a small revenue for the wonderful acreage there and the amount it is costing to run that farm. I might also say that there is a certain rumour that has been gaining ground here in the city of Ottawa and I have been asked several times about it. I do not know anything about the matter but I happened to be out in that section a few days ago and the rumour was that consideration was being given to removing part of this experimental farm to some other locality. For instance it is said that the locality in which they are situated now is not proper nor has not been found useful for growing certain kinds of fruit. It was thought that part of the farm was going to be moved to another section in order to cultivate berries and fruit of all kinds. I said that I would make inquiries whether there was any truth in this rumour that is going around. Those are a few of my questions to the minister.

Mr. Gardiner: In the first place, there is no plan to move anyone so far as we know. There are of course people who would like to see us move someone so that they can get room to do something else they want to do, but we have no plans to move anyone.

On the other question, as to what this additional expenditure is for, it is largely for building and the increases in salaries because of the natural increase which is provided for as civil servants go on serving one year after another. But the fact that the building cost is up this year has something to do with the activities of the gentleman who was spoken of so highly by the hon. member for Souris at the beginning of this discussion. Dr. Archibald has been at the head of the experimental farms staffs for thirty-one years, I think; and during the last four or five years, since the end of the war, he has been advocating the carrying on of building programs at different places, plans which he had laid even before the war and which we delayed until the war was over. Then when the war was over, because we could not get materials we delayed still further. This year when we were discussing our estimates before the treasury board, in view of the fact that Dr. Archibald is coming towards the end of his service. I insisted strongly that he should get

the credit for this work that he has been developing and which someone is going to do shortly in any case, and that the erection of buildings to provide for activities which he has been building up and advocating over the years ought to be carried on while he is still there; and so we are going ahead with the work this year.

Item agreed to.

Experimental farms service—

14. Central experimental farm, $1,868,118.

Mr. Knowles: The minister explained that one of the reasons for the increase in these items had to do with the natural increase in salaries and so on. At the outset I may say that I am not rising, as some of my friends do, with the object of complaining about these increases. I am rising to inquire as to the situation under this item for central experimental farms, inasmuch as over on page 80 it is indicated that part of it was an increase in the wages paid for temporary assistance and part of it was in wages paid to casuals and others. My question is this. Has there been any improvement in the position of carpenters and of manual workers, non-skilled workers and others, about whom the minister and I have had discussions during the last couple of sessions?

Mr. Gardiner: There has been a general increase all along the line in connection with what is generally known as casual labour or persons who are employed in the neighbourhood round about these farms. I do not think anyone would call it a big increase. One of the reasons for that is that we find it necessary to keep the pay of those we are engaging upon the experimental farm in reasonable relationship to what farmers are paying in the district round about. If we get out of line, it sometimes makes it difficult for persons who are employing labour in the neighbourhood. That to an extent accounts for the fact that perhaps the pay looks to be lower in some of these cases than it otherwise might be. But nevertheless there has been an increase, although not as much as my hon. friend was asking for a year or so ago. There has been an increase in the rates.

Mr. Macdonnell (Greenwood): I should now like to ask this question of the minister in somewhat more detail. I have now the list. Would it suit the minister if I just read some of them out? If the men in his department do not know them, it would be nice if they could meet their opposite numbers in the Department of Trade and Commerce. I will just read these out. Of course I cannot tell by looking at the names whether they are scientists; but as far as possible I have omitted those that are in the export division because the minister did explain about those. I will therefore just read a few that look to me as if they were scientists and the minister can explain what the situation is. This is the agricultural commodities branch: director, G. R. Paterson; commodities section, chief H. A. Gilbert; dairy and poultry products, K. L. Melvin; livestock and animal products, D. G. W. Douglas; plants and products, C. F. Clingan. Then I read again later on, under agriculture division, crop section, the chief is W. D. Porter. There are other names which I will not read. Will the minister tell me how this question can best be answered if this is not the best way. It seems to me it would be very desirable for those of us who do not understand these things very well to have it made clear to us why there appears to be this rather wide duplication.

Mr. Gardiner: I think I can best illustrate what the meaning of that is by just taking the first name, Mr. Paterson. I met Mr. Paterson first over in London, but I knew from the records of the department that he was first an employee of the agricultural department years ago. Then he went from the Department of Agriculture to the Department of Trade and Commerce because they wanted a man overseas who understood the agricultural position in Canada, so that he might promote the sale of agricultural products over in Britain. Trade and Commerce had him over there for a number of years. The next place I met him was down in Washington. He was there up to within the last year. Then he was moved back to Ottawa largely because of the wide experience he has had in the markets in which we are going to sell farm products.

In the first place, he is a practical agriculturist, trained in the Department of Agriculture. Over the years he has been trained in the Department of Trade and Commerce as one advocating the sale of Canadian farm products over in Europe and then down in the United States. He has gained experience there, and the department has brought him back here because he can instruct those who are working here in what is required in those other countries, and in what they ought to be attempting to do in the way of promoting sales. That, in general, is what has happened so far as Mr. Paterson is concerned. I think you will find that that is pretty well true of the others. That is the general practice.

For example, I was over in Britain in 1936, and I started looking around for persons who were promoting the sale of agricultural products. When I came back from Britain I said

to my officials that I met only one man over there in the service who really understood agriculture. They said: "Where is he?" I said: "He is in Glasgow." I told them of my experience, of how I went to the auction sale ring where they were selling a load of Canadian cattle. I told them that this man seemed to know all about cattle. He seemed to know all about the individuals who wanted to buy cattle in Scotland, and talked to me very intelligently about the whole matter. Well, two of my officials went over to Scotland a month or two later. When they came back one of them came into my office and said: "You don't seem to be a very good checker on persons who understand agriculture." I said: "What makes you think that?" He said: "We were travelling on the train from Glasgow to Edinburgh and we were naming the different kinds of cattle as we went along, and this fellow said: "You fellows must be remarkable chaps, that you can tell these cattle at this distance. Apparently he did not know very much about cattle. He could not tell Ayrshires from Holsteins, passing them on a train." After that experience we thought there should be more people in the service who did know agriculture and knew it in detail, because when you get over there talking to individuals with regard to livestock, and particularly in a place like Scotland, you have to know something about them or they will soon find you out. It is important that there be men with practical experience and that they have technical knowledge with regard to agriculture in general in that department if they are to assist in selling our produce in other countries.

Mr. Macdonnell (Greenwood): Will the minister say in answer to me that these other names that I read would be in a category similar to that which he has described? In other words, although it is not apparent at first glance, that they are in fact either directly or indirectly engaged in the export trade and in the business of selling our products and that is merely because you have people in agriculture engaged in that business that they are there in the Department of Trade and Commerce. Is that correct?

Mr. Gardiner: Yes, that is true, and they do this as well. When persons come over here from Europe who are looking for cattle, let us say, these individuals take them in tow. They bring them over to our department and we get the best experts that we have to go along with them. They go out and visit herds in different parts of the country and select what they want to take back with them. They assist them in that way. It is much better of course to have men in that department to meet them firsthand when they come into the office, talk to them and then act as co-ordinators between that department and our own.

Mr. Catherwood: What is the total acreage in the central experimental farm in Ottawa, and also the land taken over from the Scott property last year? What additional facilities are being provided at the farm with the additional property taken over?

Mr. Gardiner: The farm is about 1,200 acres. I think the price that we paid for the Scott farm was about $68,000. It is used largely for the purpose of experimenting with seed production of different kinds.

Mr. Knowles: When the minister answered the hon. member for Queens a few minutes ago with regard to the rumours about moving the experimental farm, or even part of it, away from the city he indicated that his department was not doing anything about it, although he said he did understand that some people were anxious to get the farm moved away so that they could do something else there. What had he in mind, the Ottawa city hall that keeps moving around from place to place, or was it a housing development? I myself am not pressing for the moving of the farm, but it does seem to me that a case could be made out for the large acreage being moved out a bit, although I am not in favour of the beautiful park being moved from where it is. In view of the interest in the whole question, it does seem to me that the minister might have commented further on it.

Mr. Gardiner: Well, I have been spending the last two years keeping out of that discussion, and I am going to stay right out of it. It is none of my business where they build the city hall.

Mr. Ross (Souris): Keep the farm.

Mr. Knowles: That is not an answer to my question.

Item agreed to.

15. Branch farms and stations and illustration stations, $5,977,447.

Mr. McIvor: I am very proud to announce that we have an experimental substation in our community. If the other substations and experimental farms throughout Canada prove their worth in the same way they certainly are worth all the money that is spent upon them. But it depends upon the superintendent. We have a superintendent who does his work splendidly. The farmers may visit him at any time except Sunday, and sometimes they try to slip in on him then but he is not there.

Mr. Ross (Souris): You would be surprised what he does on Sundays when you are not there.

Mr. McIvor: He works the substation well, but he helps the school fairs, the rural fairs, and the different clubs like the one hundred bushels to the acre oat club and the five hundred bushels to the acre potato club. I announced earlier in the year the success of the experiment. The expert farmers in the east might learn something from our district. We had fourteen contestants in the potato club of 500 bushels to the acre, and the average was 350. If some of these men, even from the maritimes and from eastern Ontario, think they can grow a crop of potatoes I say that we can teach them something. If you will visit Fort William we will take you out and show you an experimental substation that is doing its work in a splendid way, and which has had 105 bushels to the acre. Not many farmers in the east raise it; yet we do it and I pay tribute to our substation and our superintendent.

Mr. Ferguson: How is it that Simcoe county gets a thousand bushels to the acre?

Mr. Herridge: The hon. member for Simcoe North asked the minister a question some time ago, as to why Simcoe county apples are better than those from British Columbia. I am not admitting that they are; but the British Columbia fruit growers sold large quantities of British Columbia apples in Ontario while the Simcoe apples were being offered for sale. At the present time we are taking orders right here in Ottawa for this year's crop.

I should like to make a few remarks about the experimental station at Summerland, which has been doing excellent work throughout the years on behalf of agriculture in the southern interior of British Columbia and even on a wider field than that. Some years ago the staff from the experimental farm during the winter months attended farmers institute meetings, and meetings of fruit growers, and gave lectures. However in recent years that practice has not been followed. I do suggest that where it is possible, and does not interfere with the work of the station, the officials might be made available to farmers institutes and fruit growers organizations, so that they could render a valuable assistance to farmers, particularly during the winter months, by giving them information on the latest method of farming, and as to tests they have been conducting.

Mr. Gardiner: Extension work is done largely under the agricultural colleges. We discuss education here from time to time, and we always come to the conclusion that it is a provincial responsibility. In connection with agriculture, in common with other activities, it has been carried on largely by the provinces. The extension work is from the agricultural colleges and, while our men do go out, they do so on invitation to gatherings of the kinds mentioned. The common practice is for our cereals men to be at the experimental stations at a certain time of the year. People will gather in there from the surrounding community, and the representative will go over the plots with them and indicate the method of planting, pointing out the different rows representing different methods, and what the results have been.

Mr. Herridge: At Summerland there are valuable tests of fruit and vegetable varieties, and the conclusions are published in reports. As many of the farmers do not see those reports, it would be very helpful to the farmers in the interior if occasionally officials could attend farmers meetings during the winter months, and give them a personal report of those tests on certain fruits and vegetables. Personal contact by officials with the farmers is worth a great deal.

Mr. Sinclair: Does the hon. member, the acting leader of the C.C.F., realize what that would add to the travelling allowances the Tory party is fighting about?

Mr. Herridge: We are not fighting about it.

Mr. Sinclair: The travelling allowance would be increased.

Mr. Ross (Souris): Perhaps they could travel a lot farther on the same allowance.

Mr. Browne (St. John's West): When my colleagues and I ask for explanations of increases we should not be said by the parliamentary assistant to be complaining. Surely we are entitled to know what the money is being spent for? In respect of item 15, which deals with branch farms and stations, and illustration stations, would the minister tell us whether his officials in Newfoundland are active in trying to set up illustration stations there? The report of the department for 1949 refers to 203 illustration stations across Canada, throughout the different provinces.

There are parts of Newfoundland in which the people do not practise even the rotation of crops. They plant potatoes in the same plots year after year. I never see any agricultural representative visiting them or telling them about this new scientific service mentioned over the C.B.C. I should like to see some of the officials who understand these things go down there and help our people take advantage of the latest discoveries. Perhaps it might be possible to bring down films showing exactly what can be done in the matter of strip farming, and other agricultural

practices. Is the minister in a position to make a statement in this respect? I know his department has taken over the experimental farm, which was already doing good work, but which did not reach out far enough. Some students were taken in and given training, and then permitted to go away. I am thinking more particularly of the districts of Ferryland and Trepassey. There the people raise cattle, and graze them on pasture and hayland. I believe they have land there that could be developed considerably through proper methods. I should hope that the minister could assist us by having a representative come and look into the matter.

The minister has promised that he will make a visit to the Peace river area and the Alaska highway. Is he going to visit Newfoundland? This is the second year of confederation for us, and we would deem it a great honour to have so distinguished an agriculturist visit us. I would suggest that he come at the end of the growing season so that he would be able to see the kind of produce we have. Perhaps we could entertain him at dinner, using our produce, and giving him an opportunity to compare it with what is produced in other parts of Canada.

Mr. Gardiner: As the hon. member knows, on April 1, we took over the experimental farm in Newfoundland. We have taken over the organization that was there, and are adding to it as we think necessary. In addition to that we are preparing to make a soil survey. I do not know that it can be completed in one season, but we are beginning it this year.

Mr. Browne (St. John's West): A soil survey was made by one of our highest officials. He has been conducting this for several years.

Mr. Gardiner: Any information that is there will be utilized, of course. We will go on from that point. This will lead to the establishment of experimental stations, because we establish those stations in relation to the nature of the soil in the different areas. My office files indicate that people are writing in almost weekly pointing out that their soil conditions are different from the conditions at some other point—just as the hon. member for Medicine Hat indicated a moment ago that it is all very well to have a station associated with the ranching south of Medicine Hat, but that they want another station associated with irrigation west of Medicine Hat. We receive requests of that kind all the time.

We are not in a position to determine whether we should put in a station until we know the nature of the soil. We do not want to have three or four stations operating in the same type of soil. However, all that work will be proceeded with as rapidly as possible. I might add that much of the production service in connection with agriculture has always been carried on by the provinces—and still is. I presume that will be the condition in Newfoundland, as well as in the other provinces.

With regard to my own trip to Newfoundland, may I say I have flown over that province on two or three occasions, and have landed a number of times at the airport. I have never yet flown over the Alaska highway, and that is one reason I am driving it first. However, I hope that as soon as possible after that I will be able to go to Newfoundland. I am pleased to know that it is best to be there in the fall, because I would not find it possible to be there before that. If at all possible I shall come down there later in the season.

Mr. Browne (St. John's West): We will look forward to seeing you.

Item agreed to.

Production service—

16. Production service administration, $56,015.

Mr. Harris (Danforth): Mr. Chairman, with your indulgence and that of the minister perhaps I can eliminate two speeches by commenting on items 16, 17 and 18. I think the minister is apprized of what I am going to say, but before I say it I must compliment the hon. member for Haldimand, the hon. member for Brant and the hon. member from Newfoundland who have opened up these problems that are facing the minister. I am speaking on the administration item so I believe I am thoroughly in order.

When I think of what they have said I think of something else I have observed in the quarter century I have been here. You, Mr. Chairman, are younger than some of the rest of us, and along with others you may think that I have no right to speak about agriculture. I came into this honourable house as the member for York East, which was a farming constituency. I lived on lot 30 of a concession of East Scarborough where I was carrying on my occupation as an agriculturist. A quarter of a century is not a very long time to go back.

Mr. Sinclair: Hear, hear.

Mr. Harris (Danforth): I think I have a perfect right to talk about agriculture as I may know something about it, with all respect to the "hear, hear." If I can add anything to these deliberations I have the right to do so because wherefrom came my bread came my livelihood, and wherefrom came my livelihood came my tenure of office in this assembly. I

should like to make a few observations of a general nature and then deal particularly with items 16, 17 and 18.

In the quarter of a century I have been sitting here I have seen how different governments operate and I have seen how ministers dominate the entire situation as far as the estimates are concerned. I may not be here very long but I ask those charged with the administration of the departments to allow the deputies or the deputies' deputies to pay attention to the humble remarks which hon. members on all sides of this chamber put on *Hansard* and reply to them in one way or another. Some machinery should be set up so that the minister would not have to answer every two-cent question we ask.

Some way should be found whereby the plethora of men, women and children in your department who are drawing big pay should be able to discuss these matters with the members and answer some of the questions that are asked from all sides of the House of Commons. In my opinion, those in the department have some knowledge of departmental matters. If they do not have that knowledge they should not be within the confines of the department and drawing the pay which we extract from the taxpayers of Canada.

Mr. Sinclair: Hear, hear.

Mr. Harris (Danforth): I speak with the voice of experience because I have asked questions for a quarter of a century. I am ashamed to say in this chamber tonight that it is my experience that while I have presented a simple problem, while I have placed my questions on *Hansard*, never yet have I got an answer. I do not want it from the minister who is away up in a seventh heaven; I just want a simple answer such as a farmer from the constituency of York East would expect. But I have not got it. Yet you and I and the rest of us in this honourable chamber think that we are working for democracy.

Mr. Sinclair: Hear, hear.

Mr. Harris (Danforth): Never mind the "hear, hear". I think it is the loud voice of mine that is getting an echo. It is very hard for me to hear. If for a moment I may go to some other sea—I think the hon. member comes from near the sea.

Mr. Sinclair: That is right.

Mr. Harris (Danforth): Or away out the other way.

Mr. Ross (Souris): He is the margarine branch.

Mr. Harris (Danforth): The margarine branch. When the Angel Gabriel comes down to this earth and puts one foot on part of British Columbia and the other out in the Pacific ocean and proclaims that earth shall be no more, my hon. friend from British Columbia will rise in his place and say, "Hear, hear."

If I may now get back to the subject I rose to speak about as quietly as possible, I think our democracy would extend its democratic tendencies if attention were paid to what appears in *Hansard*, and to what is said by members like myself. We are not highly educated, we may not be Rhodes scholars and know how to use language, but generally we know what we are talking about. We use plain English. The minister has to toil twenty hours a day as some of us did in our youth in order to gain a footing in this world. He has a great deputy alongside him, who in turn has other deputies, and it should be possible for them to reply to simple questions asked by hon. members on all sides of the house so that they may realize that they are working in a democracy.

Ninety-nine times out of one hundred you and your deputies will be right because we are an innocent-minded sort of people. But neither the minister nor his deputy has answered the question which I asked a year ago. I doubt if one bit of attention was ever paid to what I said, or if there was I never heard of it. I have reiterated these statements time after time because if they were worked out they would add a million dollars to the economy of this country. There are enough idlers in the research branch to do what I would like to see done.

Mr. Gardiner: I do not think you said this on our estimates last year.

Mr. Harris (Danforth): I know what I am talking about. When I was young it was not just a case of taking a bear off a Ford car. I was dealing with boars with two big tusks and other appendages that were not at all necessary. I bought them for $5 apiece and sold them for $40. That is the way I made my election expenses in 1921 to the extent of nearly $20,000.

An hon. Member: It was not worth it.

Mr. Harris (Danforth): I want to improve the economy of this country if I can and attention should be paid to ideas that emanate from members of this House of Commons regardless of their politics. We are not politicians. We are here because we have a job to do for Canada. At the present time of necessity the minister must handle everything with his own hands, but there are able men and women in his department who could work out these different problems and answer

these different questions. Among the problems which I have recited to him before—and I never will again because I may never be here again—is the problem of waste. Every time you feed 100,000 people you have enough waste left over to feed 10,000 hogs. When I realize that 10,000 hogs will gain at least a pound a day, as some members know, and most of them a pound and a quarter, when I realize that hogs are worth 30 cents a pound, I also realize what we could do for the economy of Canada if that one little bit of waste could be avoided. One and all should read the speech made by Lloyd George in 1911 about the waste in the United Kingdom at that time and try to visualize that compared with the waste of all kinds that is going on in Canada now. It is not waste entirely because I sat in the Chateau last night, paid $5 for $2 worth of food and saw the "waists" around there. It reminds me not only of the waste that Lloyd George referred to, not only of the waste that is going on in Canada all the time, but of the waste of our talents, efforts and energies in this Canada of ours.

I should like to ask the minister if some sort of research could not be instituted to take care of the change in the trend of the feeding of waste to hogs because of the advent, as I mentioned a few years ago—and I hope I never have occasion to mention it again—of the soap operators and the increased production of alkali soaps and cleansers such as Spic and Span and so on. All these things eventually find their way into the swill can and from there into the production of millions of pounds of pork in Canada. There is one pound of this stuff in every hundred pounds and it finds its way into the organs of the hog which is affected by it. That in turn is destroying the economy of Canada to the extent of many hundreds of thousands of dollars, and it could be very easily taken care of under the vote which we are considering now. Some thought should be given to the feeders of hogs outside the large municipalities. There is one just two miles from where we are sitting who picks up the garbage from the restaurant. I hope there is not too much alkali in it and that they are not poisoning the hogs. They disturb the inner activities of the hog.

I run a hospital but I am not a doctor. If I were I could tell you exactly how they are disturbing the inner workings of the hog. The hog gets swine fever and not cholera. The minister and his deputy think only of cholera coming from some foreign source but it is swine fever. I know because that is how I earn my living. If they could have one of the men in their research department spend some of his time to clear up this matter and neutralize the effect of the alkali feeds that are finding their way into hog production then they might be doing something on behalf of the economy of Canada and for those of us who make a few dollars out of this particular vocation. They might be doing something for us but I am thinking more particularly of the general economy of Canada. I appreciate that the minister may not be a pig man and that perhaps other things are of more interest to him. Nevertheless here is one portion of our economy to which one of his thousand servants might at least give some attention, and which would work out in due course in my opinion to the general advantage of Canada.

Item agreed to.

18. Compensation for animals slaughtered, $1,091,292.

Mr. Charlton: Under the amended Animal Contagious Diseases Act, what was the amount of compensation paid in Brant, Oxford, Middlesex and Elgin counties last year?

Mr. McCubbin: If I understood the question of the hon. member for Brant-Wentworth, he wants to know the amount of compensation paid in Brant and Oxford counties?

Mr. Charlton: And also Middlesex and Elgin.

Mr. McCubbin: I think there was a return made for the counties of Oxford and Elgin but Brant and Middlesex were not given. We have not that information now. It will take us about twenty-four hours to get it, but if the hon. member wants it we will secure it for Brant and Middlesex and give it to him.

Mr. Harris (Danforth): Perhaps the minister might make a two minute reply to my twenty minute diatribe.

Mr. Gardiner: The hon. member has had a lot of hogs fed and no doubt has fed a lot of them, and for that reason he will know that we must keep a check on the feeding of hogs that are fed in the manner he was describing, namely, from cooked garbage. There are 601 such licensed feeders in Canada and right now they are feeding 53,565 hogs. Therefore it is not a part of the industry that is not flourishing. It is carrying on at present time and is under supervision of officials of the department.

Mr. Harris (Danforth): It will soon cease if you do not take care of it.

Mr. Gardiner: I do not know whether I have answered your question. I think it is true that we have as good a record, and probably the best record, with regard to cholera and other hog diseases as any other place in the world.

Mr. Harris (Danforth): Make sure that the alkalinity and acidity are carefully checked as to these 53,000 hogs.

Mr. Gardiner: The only thing I can say is that the losses are not great.

Mr. Harris (Danforth): Don't wait for losses.

Mr. Gardiner: I do not altogether understand the remarks of the hon. member. He has been here for twenty-five years and I have been here for fifteen. I do not think that in that fifteen years he has ever asked me a straight question to which he has not received a straight answer. I have not taken the same liberties with him that I take with some others for certain reasons, and particularly when he is talking about hogs and the feeding of hogs, because I know he knows what he is talking about. I also know he is not trying to put in a little time. Therefore I have always undertaken to answer him when he has asked me questions.

Mr. Harris (Danforth): Will you promise us some research?

Mr. Gardiner: We are at it all the time, and the very fact that we have the lowest amount of disease from that kind of thing of any country in the world is the answer.

Mr. Harris (Danforth): That is not the answer.

Mr. Gardiner: I do not say it is all due to what we do.

Mr. Harris (Danforth): It is due to cold weather and God's good grace.

Mr. Gardiner: It is also due to the efforts of feeders like yourself.

Mr. Quelch: Can the minister say how many new t.b. free areas were established in Alberta last year?

Mr. Gardiner: I understand that eight or ten were started but only one was completed.

Mr. Quelch: Is it the intention of the federal government to proceed with that work? I believe only a small portion of the province is organized at the present time. I remember that some years ago a district was formed and it was said to be the intention of the federal government to expand the area as rapidly as possible. Then the war came along, of course, and the work was stopped. Is it the intention to proceed fairly rapidly with the expansion of these areas?

Mr. Gardiner: We are proceeding as rapidly as we can obtain the men to do the work. As I said last session and the session before, we have not limited this work by keeping down the cost. We have been voting all the money we could profitably expend, and it is purely a matter of getting a sufficient number of veterinarians to do the work. As far as Alberta is concerned, as my hon. friend knows it was the last province to permit us to come in and do this work. The ranchers were absolutely opposed to it. It is only since I have been in Ottawa—and I have been here fifteen years—that this work has been commenced in Alberta. We have been carrying on there as rapidly as possible, but the service has not gone ahead in Alberta, because of that fact, as rapidly as in other provinces.

Mr. White (Middlesex East): Approximately what percentage of the cattle population of Canada have been tested?

Mr. Gardiner: About 63 per cent of the cattle.

Mr. Charlton: If the minister would permit me to go back to item No. 17 for just a moment, I see that the number of veterinarians is somewhere near what it was before the war. I wonder if the minister knows how many graduates will be coming into the permanent service from the Ontario and Quebec veterinary colleges this year.

Mr. Gardiner: We expect about thirty new appointments this year.

Mr. Charlton: To the permanent staff?

Mr. Gardiner: Yes.

Mr. Catherwood: Could the minister tell us when we may expect the time to be shortened between the application and the actual testing? At present it takes almost a year from the time the application is made until the herd is tested, and many of our farmers who have made application to have their herd accredited would like to have it done much sooner. Can the minister say when that position might be cleared up?

Mr. Gardiner: Well, a year seems quite a long time, but if it is that long it is because of what I just stated. We have difficulty in getting enough veterinarians to do all the work that has to be done, not only in districts but in the testing of accredited herds.

Item agreed to.

19. Livestock and poultry, $1,342,738.

Mr. Pearkes: This is the item under which the minister said he would explain the steps that have been taken to control Newcastle disease on Vancouver island. I have had reports of new cases discovered as recently as June 6. I am particularly anxious to know not only what is being done, but whether the department has enough veterinarians in that district to control the disease, and also

whether tests have been made with the vaccines used in the United States, I believe with a considerable degree of success.

Mr. Gardiner: Perhaps the best answer I can give with regard to Newcastle disease on the coast is to merely recite the figures. The flocks under slaughter order numbered 201 as of June 10. Up to that date the destroyed flocks numbered 194 and the birds destroyed totalled 307,217. The eggs destroyed in fully reported destroyed flocks numbered 202,140. The compensation awarded in fully reported destroyed flocks was $421,357.83; and the officials in charge think they have it under control. I believe that is the most complete answer I can give my hon. friend.

Mr. Pearkes: Is it possible to import into British Columbia and use on the flocks there the vaccine which has been tried in Washington with success, as I am informed?

Mr. Gardiner: The department is satisfied that the vaccination which has been found successful in some areas south of the line no doubt will be utilized in this country at a later stage in fighting the disease, but it is felt that at present the most important thing is to slaughter the herds and get rid of them entirely, and also get rid of the eggs produced by the flocks. When the matter is fully under control the question of vaccination in order to prevent the disease from infecting flocks elsewhere may be considered, but at the present time it is felt advisable to go on with the slaughter of flocks, paying for those destroyed.

Mr. Pearkes: The vaccine cannot be imported now, I believe; is that right?

Mr. Gardiner: There are two vaccines, one known as dead vaccine and the other as live vaccine. It is not permitted to import the live vaccine from the United States, but the dead vaccine is produced here in our own laboratories. Up to the present time the importation of live vaccine has been prohibited because under those circumstances it does spread the disease.

Mr. Smith (Moose Mountain): Out in our part of the country the provincial governments are attempting to control Bang's disease. Is the federal government giving any assistance, or is there any federal program to eliminate this disease or prevent it from spreading?

Mr. Gardiner: The federal government cooperates with the provinces. We provide the vaccine and the province applies it.

Mr. Douglas: I wonder if the minister can tell us how many reactors there were among the cattle tested in Prince Edward Island?

Mr. Gardiner: About 90,000 have been tested and there have been about eleven reactors. And the last test, about eleven: one in one county, one in another county and nine in another.

Item agreed to.

Mr. Catherwood: I should like to refer back to item No. 17, and ask the minister if he would just answer one question with regard to efforts being made to combat shipping fever. This is a serious matter among farmers and many farmers hesitate to purchase cattle particularly from the west. I wonder if the minister would make a statement as to what is being done.

Mr. McCubbin: We supply the vaccine in Toronto and Winnipeg and the stockyards and the provincial governments supply the veterinaries to inoculate.

Item agreed to.

Production service—

21. Grants to fairs and exhibitions, under such terms and conditions as may be approved by the governor in council and subject to allocation by the treasury board, $536,400.

Mr. McLure: I should like to ask whether there is any change in class A and class B fairs and how many class A fairs and class B fairs there are in Canada today. While I am on my feet, I should also like to ask what is allowed under the new policy on fairs, with regard to building on property in connection with the show fairs of Canada and so on. I understand there is a new policy this year in the Department of Agriculture with regard to all class A fairs, and that if they are building barns, et cetera, for their stock they can come under this new policy and get assistance from the federal grant.

Mr. Gardiner: There has not been any change in the policy this year. The policy is the same as was set up following the war. Prior to the war we had a certain policy which we followed in making grants. During the war we had none at all. At the end of the war, after negotiation with the associations right across Canada, we agreed on a plan. Under that plan we pay $2,500 to class A fairs, and the qualifications have remained the same since. We pay $1,800 a year to class B fairs. Then we make it possible for class A fairs to capitalize their grants over ten years, to spend all the money or any part of it in one year in order to put up buildings. But if they do that, of course they do not get the grant, or whatever percentage of the grant is taken, in order to put on the building program. For class B fairs it is exactly the same, except that there is only $1,800 to deal with over ten years.

We have another plan under which we carry on with the support of the province as well, under which we put up a certain amount of money, the province puts up a similar amount and the fair board obtains from some source or another a similar amount, a three-way program; we do make arrangements for spending up to $10,000 a year or what accumulates, at $10,000 a year, up to $100,000.

Then there is a special provision under which we deal with some special fairs such as London, Ottawa and Quebec and a number of the larger places, under which we enter into negotiation with the province; or at least they enter into negotiation with the province and with us, and it usually follows that if the province agrees to undertake their part of the expenditure, and we consider that the project is one that should be proceeded with, we put up a similar amount of money. That sometimes runs up to $150,000. In the odd case it has run up to $200,000.

Mr. McLure: I have one other question and that is in connection with winter fairs. In the maritime provinces we have a winter fair at Amherst. That fair at Amherst does for the three maritime provinces and I suppose now it will have to do for four; that is, including Newfoundland as well. It is a maritime province, although it wants to be called the Atlantic province. We get a grant of $5,000 for the Amherst fair, and that is hardly sufficient when the minister considers that three provinces are going to that one fair. For the winter fair or livestock show up in Fredericton later on in the year, they get three times as much money as we get for the winter fair in Amherst. If it is possible, I think that for another season at least the Amherst fair should get further consideration.

Mr. Gardiner: The winter fairs have a flat grant which is not affected by the specially arranged building grant. We do make special arrangements with those who are putting on winter fairs to provide for building on a plan similar to the last one I outlined, namely, where it is usually a three-way proposition. but there is the flat grant that goes right on in so far as winter fairs are concerned even if we have entered into an arrangement of that kind.

Mr. Herridge: Under this item there is one matter I want to bring to the minister's attention, at the request of a number of prominent British Columbia people. I refer to Mrs. Amy Kelsey, who is the only Canadian woman who has won the world wheat championship twice. She won it in 1946 and in 1949. In addition she won at Toronto in 1947. In addition to that she has won 54 other prizes for various grains at international grain competitions. That elderly woman has accomplished a great deal to advertise British Columbia and Canada to the world. It is a remarkable achievement, from my point of view and from the point of view of many people who know her.

This elderly woman, who has had to sell her farm because of the chronic ill-health of her husband, has now gone to Victoria to live. I know, Mr. Chairman, that we have given decorations, such as C.B.E. and others, to people who have done a job for which they have been well paid and in some cases, in my opinion, they have done it in leisure and in great comfort. I am of the opinion that we in Canada fail to recognize the people who make great contributions to agriculture in the same way as we recognize people who make great contributions in other respects. The latter sometimes, in my opinion, are well recognized for making a much smaller contribution than this elderly Canadian woman has made to Canada and to Canadian agriculture.

I mention this matter to the minister and to the committee because I know the position, as do many other people, of this woman who has accomplished a great deal in winning these prizes. She is the only Canadian woman to do so. I know her present position. Because of what she has done and because of the value of her work in agriculture I am going to ask the minister that his department give considerations to making a grant to this woman for her achievements. While she has received various cups, many ribbons and so on, I understand that for her winning the world's wheat championship twice the total cash return has been exactly $25. That did not even cover a fraction of her expenses. I bring this matter to the minister's attention, and I should like him to see if there is any possibility of his department and the cabinet giving consideration to some particular recognition of this Canadian woman.

Mr. Gardiner: There have been a number of persons who have done fine work in exhibiting grains grown in western Canada and in eastern Canada as well. Among those who have attained distinction at these different fairs is a man named Mitchell, south of Moose Jaw, and Seager Wheeler, who I think is also living at the coast now. He was employed by this department for a time on a part-time basis, doing some of the work that was associated not only with grain production but with fruit production as well on the prairies. In my opinion the government has not paid as much attention to what these people have done as it should have or has not found itself in a position to do as much for them as probably should be done. That no

doubt applies to Mrs. Kelsey as to the others. She has had a remarkable record in the last few years in the production of wheat and in the showing of the wheat at the best exhibitions on the continent, including Chicago. She has been most successful. I am sure that everyone in this committee, and everyone associated with agriculture, would like to pay her the highest compliments possible in connection with these activities. I did not know that she had disposed of her land and gone to the coast. But having been informed of that fact I shall certainly take into consideration the suggestion made. I do not know what can be done this year on this short notice, but we shall give consideration to the suggestions that have been made.

Mr. White (Middlesex East): Item 21 deals with grants to fairs. I think at this time I should mention some of the facts surrounding the London and western Ontario fair. I notice that this item is up $60,500, and that the building fund, which is part of the $60,500, is up $50,000; and the total grant is $170,000. Recently in the city of Toronto hon. members had an opportunity to visit the international trade fair. We realized what a boon it was to industries abroad and to buyers in Canada. I think I am safe in saying that it was of more benefit to foreign nations than it was to Canada; but trade is a two-way street; therefore it is all to the good.

I want to say a word about London and Middlesex county in particular, pointing out the value of these fairs. Not so many years ago the livestock and grain exhibitors from the county of Middlesex were able to draw more prize money from the Chicago livestock exposition than any state in the American union. I point that out with considerable pride. I want to draw to the attention of the minister and also to the attention of hon. members the value of exhibitions in marketing produce wherever markets may develop.

On the 24th of April the mayor of the city of London and his officials were down here in connection with the grant for the new arena. The livestock arena has become a necessary part of the fair at London. They returned home a bit disappointed, I think. That is putting it probably a little mildly. All members from western Ontario, regardless of their party, are interested in this. The parliamentary assistant to the minister who comes from Middlesex West is as much or more interested in this as anyone else. It seems to the man on the street and the man on the farm that the dominion government has been seesawing back and forth with the provincial government over these grants. I would think the best thing for the federal government to do would be to announce that they were going to make a grant, and then there would be nothing else for the province to do but follow suit, and we would have our arena at London.

At London they are also planning to have a winter fair as well. We already have the nucleus of the winter fair in the seed fair that has been going on for some time. It is one of the finest seed fairs in all Canada, if not the finest. It would seem to me that now is the time to make this grant.

A moment or two ago I mentioned the international trade fair. If hon. members will turn to page 52 of the estimates of the Department of Trade and Commerce, they will see that in 1949, $624,000 was expended for the international trade fair alone, and in 1950 the estimate is $602,000. That is quite a sum of money, and it was expended on industries other than agriculture. I am hoping at this time that the minister will make a statement as to what they are prepared to do, telling us that we are going to get our grant.

Mr. Gardiner: I find it a little difficult to make a statement in reply to what has just been said. If I read the list of those who get grants, London would stand at the top of it in amount. If I did that I am afraid that some of the others would be along wanting as much. I do not think there is much reason for there being any disappointment, and I did not think that there had been much disappointment.

The representatives of the board and the mayor of London have been here on a number of occasions. We have had very helpful discussions in connection with what they desire to do in London, and I do not think they have been unduly disappointed in the results of those discussions.

The fact is that it is the only fair in Canada of that kind that is getting $20,000 a year for 10 years from this government, which is $200,000. They are getting a similar amount from the province, and I understand that the city is putting up a similar amount. If they want more than that to spend I presume the city will be putting up some more. I do not think there is anything to suggest that we have not treated London fairly. I think London really believes that we have treated them fairly, as compared with what we have done for others across the country. I feel that, whether others do or not.

I know the position in London about as well as I know it anywhere in Canada, since I was born and brought up in that neighbourhood. When I did go to a fair as a boy I went to the London fair, so that we have some interest in it here. But in addition to that it is in one of the best agricultural areas in Canada. It does lend itself to the type of show which warrants the extra $5,000 that it

is getting each year over a ten-year period. There is no other fair that is getting more than $15,000 a year outside of Toronto, which is a much bigger thing and does draw more money from all sources; but London is next to that, and is being dealt with in a manner which is outstanding as compared with other fairs. I agree that it should be, but I do not think there is very much disappointment there over what they have obtained. As a matter of fact, it is more than they asked for in the first instance. They came back the second time for an increase and I think they are pretty well satisfied with what they have obtained.

Mr. White (Middlesex East): The minister is not saying no exactly.

Mr. Browne (St. John's West): Can the minister tell me whether there is any way in which the city of St. John's can get assistance in regard to an arena? We had an agricultural exhibition of a fine quality in St. John's, Newfoundland, up to a few years ago, when the arena which we had there, and which was partly used as a skating rink, was destroyed by fire. A building next door, which was also used in connection with the exhibition, was destroyed at the same time. The Lions club down there are trying to make a collection from the citizens to build one. Is there any condition attached to the grant given by the federal government which would prevent such a building being used partly as a skating rink during the time when it would not be used for agricultural exhibitions or fair purposes? It is a lot of money to tie up for any considerable length of time, and it seems to me that the parliamentary assistant did lead me to understand that it could not be used for any other purpose. It would be absurd to tie all that money up and keep it idle for nine months of the year, when it could be earning money.

Mr. Gardiner: There is no restriction as to the use of the building. Most of these buildings about which I have been speaking operate for different purposes throughout the greater part of the year. Some of them operate part time as skating rinks. At least one-third of the activities connected with the building must be agricultural before we will become interested in it at all. I understand they have not been having a fair in Newfoundland.

Mr. Browne (St. John's West): Not for several years.

Mr. Gardiner: In order to establish themselves in a position where they would be able to get a grant under the provisions here they would be required to hold a fair for three years. That would probably require that they do what is done in other provinces, namely start their fair in a small way with assistance from the province and the surrounding community. After they have been in operation for three years and reach the point where they can pay prize money of $3,000, they classify as a class B fair. When they can pay $6,000 in prize money they classify as a class A fair.

Mr. Browne (St. John's West): They have been holding exhibitions in which they have paid far more than $5,000 or $6,000. Does the minister mean that they have to have exhibitions for three years before they can qualify for the grant under this item?

Mr. Gardiner: That is the position under the regulations as they are.

Mr. Quelch: Is Saunders wheat considered a satisfactory substitute for Red Bobs? This is the year in which Red Bobs is to be degraded from No. I to No. III. Consequently the farmers in Alberta are switching from Red Bobs to Thatcher, Regent and Saunders. Until recently Saunders wheat had not been grown extensively enough to prove it. What is the situation today?

Mr. Gardiner: Saunders wheat grows in a shorter season than the other wheats. All that means is that it can be grown farther north than the other varieties. I doubt very much if it is a substitute for the other wheats which are growing farther south, because of lower yield, and for other reasons. If it is going to be grown farther north, Saunders wheat has an advantage over the others.

Item agreed to.

Production service—

22. Grants to agricultural organizations, as detailed in the estimates, $44,500.

Mr. Blair: Does the government contemplate any change in the method of identifying purebred dogs? I have had protests from purebred dog raisers in my constituency, and they feel strongly about the idea of tattooing dogs, pointing out that it works a hardship and costs a considerable sum to have the tattooing machine to do the work. They believe the method of doing it would place Canada in an unfavourable position, in that no other country is using this method of tattooing purebred dogs. It is pointed out that we have the lowest per capita of purebred dogs of any country in the world. However, one of the dog breeders in my constituency last week won the highest

award at Madison Square Garden, in perhaps the greatest show of its kind. He won not only in one class, but also in the class of best dog in the show.

It is pointed out to me that to tattoo some small dogs they have to have anaesthetic. They say there is no special advantage, and the Canadian Kennel Club in particular would like to go ahead with the idea of identifying purebred dogs by colour description. Is this method being put into effect, or is it contemplated?

Mr. Gardiner: My understanding is that tattooing has been used voluntarily. Of course the committee understands the relationship of this department to the matter of keeping livestock records in general, including those of dogs. It is not done by the Department of Agriculture, but is done under a recording organization set up by the different breeding associations. I think the Holstein breeders are about the only important breeders of livestock who do not have it done in that way. They have their own registration.

All other kinds of livestock are registered by this organization which is set up by the breeders themselves. I believe we pay a grant of $18,000. It is only that grant which gives us the right to say anything about what is done. The regulations require that these associations shall present their regulations to us. They are not permitted to act under them until we agree or otherwise with the recommendations made.

The present position in relation to dogs is that there has been a discussion as to whether they should be required to tattoo the dogs. Consideration has been given to the point as to whether the method should be changed from a voluntary one to one in which they would be compelled to tattoo. Many of the dog breeders object to the tattooing.

There is another method, not as satisfactory, I believe, in which note is taken of the colour marks of the animals. However, there are so many animals of the same colour that this is not satisfactory. Another system is being advocated at the present time in which the noseprint is taken, in the same way as thumbprints of individuals are taken. It is said that no two dogs have the same noseprints, and it is advocated that this method be used.

The mounted police and others have been consulted in the matter, and my understanding is that a decision is to be made this week as to the recommendation to be made. No doubt we will agree with whatever recommendation is made, assuming always that the associations themselves are the ones to be satisfied in this matter. However, we are interested in having some method by which we can be fairly certain in respect of the registrations of registered animals.

Mr. McLure: Why could they not be tattooed in the same way as foxes? Thousands of foxes used to be tattooed annually, and they were all recorded. Very little expense was involved in the use of the tattooing machines. The animals did not have to be given anaesthetics or anything else. The marks are plain, and carried all through the years. They are never obliterated. One would have to cut the ear off a dog to obliterate the mark, and it could be done just as easily as it is with foxes.

Mr. Gardiner: The chief objection is that in respect of small dogs the tattoo would take up most of the ear, and that with some dogs the most attractive part is the ears. The dog breeders are particular about this, and objection is raised. Nevertheless about 2,000 of the 3,000 dogs registered are tattooed. I do not know what the kennel association will decide finally, but we will not quarrel with them if they come along with a reasonable suggestion.

Item agreed to.

Marketing service—

23. Marketing service administration, $162,006.

Mr. Fulton: I should like to ask a question in connection with the situation of apple growers in the whole of Canada, and particularly in British Columbia. The situation I refer to is the loss of the United Kingdom market. I am not going to take much time but I have some figures I should like to lay before the minister. It is well known that the prosperity of the apple growers of this country now and in the past depends largely on the fact that there is a substantial export market in the United Kingdom. The result of that has been that in the main the Ontario and Quebec crops have gone to supply the domestic market, with a substantial portion of the British Columbia crop being marketed domestically but the main portion of the British Columbia and Nova Scotia crops supplying the bulk of the United Kingdom market. That market has been lost completely in the last two years as a commercial market.

I suggest to the minister that he use all the influence he and his department have and in co-operation with the Minister of Trade and Commerce endeavour to persuade the British government to take at least a

reasonably substantial quantity of Canadian apples. I appreciate the difficulty and realize the reluctance with which one government would approach another government to tell it what it needs in terms of food products. However, I think it would be fair to put the proposition before the British food ministry that as our production has been largely geared to the existence of the British market, as we have made substantial contributions, quite willingly it is true, toward helping them solve their food problem during and since the war, they should take some portion of the Canadian apple production. It might be suggested that they divert, perhaps $3 million or $4 million —we would hope for a minimum of $5 million —toward the purchase of Canadian apples. Perhaps I should not mention a figure because this would be a matter of negotiation.

I can understand that the producers of Canadian agricultural products who depend upon export markets are anxious that they get some share of the United Kingdom market. I am not suggesting that we want to interfere with what the wheat grower or the bacon producer or anyone else gets, but I do hope the minister will lay before the British the suggestion that in what they spend for the purchase of Canadian food there should be something allocated for this Canadian product which has always had a traditional market in Great Britain.

There are certain figures I should like to lay before the minister to indicate the gravity of this problem. I have figures showing how many apples were exported to Great Britain from British Columbia and from Canada as a whole, and what percentage of our exports were sent to the United Kingdom. The following are the exports of British Columbia apples to the United Kingdom:

	bushels
1934-35	1,563,000
1935-36	2,097,000
1936-37	1,686,000
1937-38	2,355,000
1938-39	2,422,000

Then follow the figures for the post-war years:

	bushels
1944-45	529,000
1945-46	719,000
1946-47	2,552,000
1947-48	.....
1948-49	.....

The average British Columbia apple crop is from 7,000,000 to 9,000,000 bushels per year, while the average exports to the United Kingdom have been 2,000,000 bushels per year. On the average, one-third of our apple crop has been exported to the United Kingdom so it will be realized what the complete loss of that market means to our apple growers. The figures for the whole of Canada are as follows:

	bushels
1934-35	5,314,000
1935-36	6,462,000
1936-37	3,862,000
1937-38	6,196,000
1938-39	7,454,000

Then in the post-war years:

	bushels
1944-45	1,034,000
1945-46	794,000
1946-47	4,492,000

The apples exported to the United Kingdom represented the following percentages of our total exports of apples:

	per cent
1934-35	88·5
1935-36	96·4
1936-37	85·5
1937-38	92·1
1938-39	88·1

It will be seen that in the post-war period practically 90 per cent of the exports of apples from Canada went to the United Kingdom. Another way of looking at this is to say that in the years, 1934-38, our exports of apples represented 46 per cent of the apple crop in Canada or an average of 6,483,000 bushels per year. By 1948 that average was only 21 per cent, or an export of 2,850,000 bushels. The percentage of the crop exported fell 25 per cent or 4,000,000 bushels in that period while the domestic consumption of fresh apples increased to a considerably smaller extent.

In the post-war years 40 per cent of the total crop or 5,645,000 bushels were consumed domestically and by 1948 this percentage had increased only to 57 per cent of the crop or 7,729,000 bushels. The percentage of crop exported decreased by 25 per cent or 4,000,000 bushels while the percentage of domestic consumption increased by only 17 per cent or 2,000,000 bushels. It will be seen that the decline in the export market in the United Kingdom has not been offset by more than 50 per cent by the increase in the domestic consumption of fresh apples.

There has been some increase in the processing of apples, but the net situation is that our growers are faced with surplus apples. While I place the emphasis upon the British Columbia figures because they are more readily available, this situation affects not only British Columbia but Nova Scotia, which are the main exporting provinces, and will in turn affect the producers of Ontario and Quebec should an increasing percentage of

apples have to be marketed domestically. No other market has yet been found to take the place of the United Kingdom market. Along with this goes the other problem to which I think the government should be giving consideration immediately, the instituting of some floor or support price program for our apple producers now so that they will be able to say with some certainty what their future is. That perhaps comes up under a later item, and I will not go into detail here, but I think the two should be considered together.

In closing I want to ask the minister and the committee to bear in mind the serious import of these figures, the very grave position that faces our apple producers through absolutely no fault of their own but because of the complete loss of the British market. I know the minister's influence is considerable, and I ask him to do his best to persuade the British, in allocating their dollars for the purchase of food, to include a fair share for the purchase of apples. Before I sit down, I want to say that this matter cannot be put off by saying that there is not a market in the United Kingdom. The figures which have been given recently of the increasing quantities of apples imported from Australia, New Zealand, Italy and countries other than Canada, where they can purchase them with soft currency, show quite clearly that there is a market for apples in the United Kingdom. I hope the minister will tell the committee, the apples growers of British Columbia and the rest of the country, that they may expect some very concerted effort by the department to look after their interests in so far as the British market is concerned.

Mr. Herridge: Before the minister replies, I should like to support the remarks of the hon. member for Kamloops in connection with doing something more than we have to obtain a share of the British apple market. I think the minister has already indicated that he believes the prosperity of the apple growers depends in the future upon their receiving a share of the United Kingdom market. To support that view I want to read from a statement in the Montreal *Gazette* of December 15, 1949. Speaking before the closing session of the tenth annual dominion-provincial agricultural conference the Right Hon. J. G. Gardiner is reported as having said in part:

> Canada's farmers could not be prosperous without British food contracts. It was "essential" that Canada sell to the United Kingdom most of her surplus bacon, cheese, egg and apple production. There appeared to be no other markets available.

The minister has recognized the Canadian apple producers' need for the United Kingdom market. We are not speaking tonight simply for the apple growers of British Columbia but also for the apple growers of other parts of Canada who have depended in the past on the export market. Over a number of years we have been told by the experts of the department of Trade and Commerce that the market in Great Britain was finished, that there was no future market, but the experience of the past year proves them to be absolutely incorrect. There was $2,500,000 worth of Washington and Oregon apples shipped through Seattle to Great Britain last year. The British contracted for $3,500,000 of Australian apples. Considerable quantities of apples have been shipped to Great Britain from the Netherlands, and also considerable quantities from Italy, so there is no question that there is a market available there if we can overcome the currency restriction.

Last year the minister's department made arrangements with the people who were purchasing for Great Britain to defer the purchase of $25 million of wheat out of approximately $300 million. Of that, $17,500,000 was spent on bacon, $5 million on salmon and $2,500,000 on lumber. My point is that the minister has already indicated to the house during the present session that he believes we will have no difficulty in selling our wheat crop, that what we do not sell to Great Britain we can sell to other countries. Therefore I support entirely the proposal made by the hon. member for Kamloops that the minister and his officials should do what they can to see if we cannot have a similar arrangement made to take care of a certain quantity of Canadian apples. So far as the Minister of Trade and Commerce is concerned, I am quite sure that he is not particularly enamoured of the sale of apples. He made a very interesting remark that apples were not food. As a matter of fact apples have had quite a lot to do with the history of mankind, but I will not go into that tonight. I shall content myself by saying in reply to the Minister of Trade and Commerce that man does not live by proteins alone.

I happen to have the special issue of the *Times* that has been sent to members, and I was reading it this evening. There is an article in it entitled "The Dollar-Sterling Trade Board, Now a 'Going Concern'." The first paragraph reads:

> One of the most heartening signs of positive action to break the threatening crisis in trade between the United Kingdom and Canada is the recent formation of the dollar-sterling trade board in Canada. The board will act in an advisory capacity to Britain's

dollar export board and although in no sense a government agency it enjoys full support of the Canadian government.

Near the end of the article there is this paragraph:

In addition to the board and its secretariat, working committees of specialists in various industries are being established. These working committees, whose personnel have been selected by members of the board from within their own trades and industries, have the task of examining in detail the statistics of exports and supplying to Britain's dollar export board technical information for the use of British exporters. . . .

Some of the technical information that we want them to supply is the fact that we have a large quantity of Canadian apples we want to sell to Great Britain. The board is composed of prominent industrialists including Mr. H. R. MacMillan, a great business executive, Mr. Hannam, the president of the Canadian Federation of Agriculture, and many other competent gentlemen. I say that the apple producers of British Columbia and Nova Scotia expect Mr. Hannam as president of the Canadian Federation of Agriculture to do his best as a member of the dollar-sterling trade board to see not only that bacon, eggs, cheese and lumber are marketed in Great Britain but also that surplus apples which must be exported are included in the arrangements that are made with the British government for this coming year.

Therefore I ask the minister to tell the house if he thinks it is possible with the co-operation of his department and the dollar-sterling trade board to secure some of the British market for Canadian apple producers, the market that he says is essential for the prosperity of the apple industry in Canada.

Mr. Gardiner: All I can say in reply is that we did all we could do. We even offered wheat for apples but the offer was refused. I am sure the statement made by the Minister of Trade and Commerce the other night was not an expression of his own view. When he said something with regard to the food value of apples it was an expression of the view of the British government. I am quite sure it is not an expression of the view of the British people because I have in my hand a copy of an article which appeared in the Vernon *News* which I think answers very well some of the suggestions that have been made as to how the lack of desire on the part of some in Great Britain might be overcome. The heading of the article is:

Twenty thousand letters pour in to thank growers for fruit. British people send small gifts, words of appreciation for apples.

[Mr. Herridge.]

The article reads:

A realistic indication of how much the shipment of Okanagan valley apples to the old country meant to the people of the United Kingdom is revealed by B.C. Tree Fruits Limited this week. The number of letters of appreciation received cannot be counted, but to date nearly 20,000 have come in and they are continuing to arrive with the docking of every boat. This year, for the first time since 1946, B.C. apples have been shipped to Great Britain. Movement from the 1949 crop to the United Kingdom totalled 1,593,544 boxes. Previous to the war, Britain purchased annually approximately 2,500,000 boxes of B.C. apples and twice during the war, in the face of wartime shipping conditions, shipments reached more than the 2,000,000 mark.

Shipments this year, of course, were distributed across the length and breadth of the British isles. The British food ministry has seen fit to distribute 50,000 boxes of B.C. apples free to schools and institutions. The appreciative and enthusiastic reception which has been accorded this fruit augurs well for the future of our B.C. industry in the U.K. markets when exchange difficulties have been overcome.

The newspaper article goes on in the same vein and indicates what these people have done for themselves. I do not think any group have done a better job of marketing their product this year than the fruit growers of British Columbia. They not only marketed fruit in Canada, as was suggested a few moments ago, in competition with fruit grown elsewhere in this country; they marketed apples in thirty-two states of the union in the face of one of the biggest crops the United States has ever had. Then, when they could not market the remainder of their crop, they sent those apples to Great Britain. I believe the twenty thousand letters coming back from the British people who ate those apples is the best indication one could have that at least the British mind is being turned toward British Columbia apples, and I do not think it will be very long after the British mind turns toward British Columbia apples until the British government also turns in that direction. The suggestion coming from these people to the effect that they desire these apples may bring about the same result that their desire for more gasoline brought very recently. Probably some people over there will change their minds, if we continue to send apples as we did this year.

Mr. Fulton: I know the remarks of the minister concerning the work of the British Columbia tree fruits board in marketing their apples will be appreciated. Certainly it is a well deserved tribute; and I also believe the minister is perfectly correct when he says that appreciation of the gift of the million and a half boxes will do much in future to influence the British government to buy Canadian and particularly British Columbia apples again when the currency difficulties

are overcome. But those difficulties are not yet overcome, and we want an assurance from the minister that he will apply pressure, in a proper manner of course, upon the British food mission when they next come to discuss the purchase of food products in Canada. In that way we may have pressure from both directions, from the people at home in the United Kingdom and from our own government making representations which I submit it is perfectly entitled to make. It should be impressed upon them that our apple growers deserve some consideration in the allocation of the very limited supply of Canadian dollars they have to spend on food in this country.

Mr. Gardiner: I might as well be perfectly candid. I have done every nice thing I know of to try to persuade those who come here to talk about buying food, but I have not succeeded. Others have gone over there and attempted to be even nicer than I was in the last stages of the discussions, and they have not succeeded. I think it is about time we stopped talking nicely to some people over in Britain. That does not apply to very many people, just one or two; but until they are spoken to directly I do not think we should look for very much success in the marketing of some of those products in that country.

Having said this, it does not mean that we have not been able to market our farm products. Over and over the story is repeated that we have lost the British market, or we have lost markets generally. All I have to say in reply to that statement is that with the exception of apples, which after all were marketed—

Mr. Fulton: A million and a half boxes were given away.

Mr. Gardiner: Well, they were marketed, and this government paid $2 million into the treasury of those who marketed them. The apples of Nova Scotia were marketed, and we paid $500,000 into their treasury.

Mr. Fulton: That is a new definition of marketing.

Mr. Gardiner: It is not so new. Previous governments, and perhaps this government, permitted them to be marketed at returns which were not as high as would have been received now even if that additional amount had not been provided. That money was provided in order to increase the returns to those who produced the apples. Those apples were marketed at a return we thought was too low, and that level was increased. It is too late this evening to enter into a discussion of the general question, but it can be pretty successfully shown that our farm products have been marketed. We would like to market more apples in Britain, but I do not think they are going to be marketed by nice talking. I think more direct talking must be done than we have had so far, and I am quite prepared to do it.

Item stands.

Progress reported.

EXTERNAL AFFAIRS

Second report of standing committee on external affairs.—Mr. Bradette.

BUSINESS OF THE HOUSE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed the following bill, to which the concurrence of this house is desired: Bill No. 303 (letter Y-8 of the Senate) intituled an act to amend the Canada Shipping Act, 1934.

Mr. Fournier (Hull): May I ask the unanimous consent of the house to have this bill moved one step forward by giving it first reading?

Mr. Drew: No, Mr. Speaker. The members of our party who are interested in this matter indicate to me that they do not feel it is desirable that it be proceeded with in this way.

Mr. Fournier (Hull): Tomorrow we will take up the resolution to ratify the convention of the world meteorological organization signed on October 11, 1947; second, Bill No. 302, the defence supplies bill. Then we will move to go into supply and take up the estimates of agriculture, citizenship and immigration, trade and commerce and public works.

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

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

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration, $293,670.
2. Information service, $316,495.
3. Advisory committee on agricultural services, $5,000.
4. Contributions to commonwealth bureaux, $56,821.

Science service—

5. Science service administration, $1,229,750.
6. Animal and poultry pathology, $388,640.

7. Bacteriology and dairy research, $177,305.

8. Botany and plant pathology, $1,343,687.

9. Agricultural chemistry, $495,320.

10. Agricultural entomology, $1,546,510.

11. Forest entomology, $1,222,839.

12. Plant protection, $731,705.

Experimental farms service—

13. Experimental farms service administration, $129,780.

14. Central experimental farm, $1,868,118.

15. Branch farms and stations and illustration stations, $5,977,447.

Production service—

16. Production service administration, $56,015.

Health of animals—

17. Administration of Animal Contagious Diseases Act, and Meat and Canned Foods Act, $3,661,965.

18. Compensation for animals slaughtered, $1,091,292.

19. Live stock and poultry, $1,342,738.

Plant products—

20. Seeds, feeds, fertilizers, insecticides and fungicides control, including grant of $40,000 to Canadian Seed Growers' Association, $1,261,533.

21. Grants to fairs and exhibitions, under such terms and conditions as may be approved by the governor in council and subject to allocation by the treasury board, $536,400.

22. Grants to agricultural organizations, as detailed in the estimates, $44,500.

HOUSE OF COMMONS

Tuesday, June 13, 1950

The house met at eleven o'clock.

RADIO BROADCASTING

SECOND REPORT OF SPECIAL COMMITTEE

Second report of special committee on radio broadcasting.—Mr. Maybank.

REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE OF SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved:

That votes 267 and 268 of the main estimates 1950-51, approved and reported upon by the special committee on radio broadcasting this day, be referred back to the committee of supply.

Motion agreed to.

EUROPEAN ECONOMIC CO-OPERATION

ACCEPTANCE BY CANADA OF INVITATION TO ESTABLISH WORKING RELATIONSHIP

Hon. L. B. Pearson (Secretary of State for External Affairs): I wish to lay on the table two copies of the text of the invitation from the secretary general of the organization for European economic co-operation, inviting the Canadian government to become associated with the work of that body, and the text of Canada's acceptance of this invitation.

JAPANESE PROPERTY

REPORT OF MR. JUSTICE BIRD ON CLAIMS WITH RESPECT TO PROPERTIES SOLD BY CUSTODIAN

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, consequent upon a number of complaints of Canadian citizens of Japanese origin who resided in British Columbia in 1941 that their real and personal property had been disposed of by the custodian of alien enemy property at prices less than the fair market value, the government, as soon as possible after the cessation of hostilities, by order in council P.C. 1810 dated July 18, 1947, as amended, appointed Mr. Justice H. I. Bird of the appellate division of the Supreme Court of British Columbia as a royal commissioner under the Inquiries Act to conduct an inquiry. Mr. Justice Bird's report was received in due course and I am tabling it now.

The government will provide compensation totalling $1,222,829.16 in accordance with those of the commissioner's recommendations which fall within the terms of reference. For this purpose it will bring down, at the present session, a supplementary estimate.

The commissioner also felt it incumbent upon him to deal with several claims which, strictly speaking, were outside the terms of reference and which he has dealt with in sixteen special reports. The government intends to carefully consider these special claims and the commissioner's special reports are before the treasury board for this purpose at the present time. These claims total approximately $150,000.

I wish at this stage publicly to express to Mr. Justice Bird the government's appreciation of the service rendered by him during the two years and four months which he has devoted exclusively to this important work, carried through, as it has been, in the most painstaking and comprehensive manner.

Mr. Justice Bird's report dealt with a total of 1,434 claims relating to residential, farm and business properties; household effects; agricultural tools and equipment; stock in trade and trade fixtures; fishing vessels, gear and nets and motorcars and trucks, which had been vested in the custodian and had been sold by him. These claims related to 7,086 parcels of real and personal property, and involved filing of 8,996 exhibits. After a number of claims had been rejected and withdrawn, the report finally recommends payment to 1,300 Canadians of Japanese origin of various amounts totalling $1,222,829.16.

Having regard to these facts, and also to the difficulties encountered in eliciting the necessary information from many claimants who were not familiar with the English language, the monumental nature of the task with which the commissioner was faced at once becomes apparent. Only his unlimited patience and clear thought have made possible the report which reflects so much credit upon himself.

In his report Mr. Justice Bird makes complimentary references to the good faith and sincerity with which the custodian of alien property discharged his duties. He also pays tribute to the efficient and co-operative manner in which counsel for the claimants and for the commission carried out their duties, and it is quite apparent that without

such co-operation, the report which is now being tabled could not have been as good as it is.

Mr. Fleming: Does the report of the commissioner the minister has tabled include also the sixteen reports the minister indicates are now before treasury board relating to matters outside the scope of the report?

Mr. Garson: No, it does not. As I indicated in my statement, these are simply communications to the government apart altogether from the terms of reference.

Mr. Fleming: Will the government consider tabling those also?

Mr. Garson: When we have had an opportunity to consider them with treasury board, and to dispose of them, we shall be glad to consider tabling them.

FEED GRAINS

FREIGHT ASSISTANCE—PAYMENTS OF $5,000 OR MORE, FISCAL YEAR 1949-50

On the order for motions:

Right Hon. J. G. Gardiner (Minister of Agriculture): At yesterday's sitting the hon. member for Souris (Mr. Ross) commented on a return which had been made to an order of the house, dated May 3, 1950, with respect to freight assistance on western feed grain. It would appear that the hon. member wished to obtain a list of the companies to whom freight assistance payments were made in 1948 and 1949, together with the actual amounts paid. Through a misunderstanding of the question this information was not supplied.

In the public accounts for 1948-49 all freight assistance payments in excess of $5,000 were listed. Some items from these lists were placed on *Hansard* by the hon. member. In the forthcoming public accounts for 1949-50 similar lists will be published. The comptroller of the treasury has furnished the appropriate copy sheets for the public accounts, and these are now being tabled for the information of the hon. member.

I am requesting the hon. member to note that the information is not complete, because only payments of $5,000 and more are listed. Payments of less than $5,000 were made to 167 companies. These can be produced if the hon. member wishes, but some time will be required to prepare the list.

One further point might be noted, and that is that the reports are for the fiscal years, not calendar years. To classify the payments by calendar years would require some time, and would delay the presentation of the information.

[Mr. Garson.]

The list of companies to whom freight assistance payments in excess of $5,000 on western feed grain were made in 1949-50 is lengthy, and to obviate the necessity of reading it I would request the permission of the house to table the list to be added to the return.

Some hon. Members: Agreed.

CANADA SHIPPING ACT

AMENDMENTS TO RATIFY INTERNATIONAL CONVENTION FOR SAFETY OF LIFE AT SEA

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 303 (from the Senate) to amend the Canada Shipping Act, 1934.

Motion agreed to and bill read the first time.

LABOUR CONDITIONS

BRITISH COLUMBIA LUMBER INDUSTRY—QUESTION AS TO THREATENED STRIKE

On the orders of the day:

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, has the Minister of Labour any comment to make on the possibility of a strike in the lumber industry of British Columbia?

Hon. Humphrey Mitchell (Minister of Labour): That industry does not come within my jurisdiction, although it did for a good many years during the war. However, if my hon. friend wants to have my comment, I shall give it to him. I say this, to both sides, that it is the easiest thing in the world to get men out on the street, but it is a good deal harder to get them back to work.

BUSINESS OF THE HOUSE

DEFENCE SUPPLIES BILL—QUESTION AS TO PROCEEDING WITH SECOND READING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before we proceed to the business of the house, can it be made clear that, in view of the fact that Bill No. 302 has not reached us, the government will not ask us to proceed with its second reading today, as was announced last night

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, we intended to bring it up later this day, after it had been handed to hon. members. If there is objection I suppose we can put it off until tomorrow, but I had thought we could go on with it this evening.

METEOROLOGY

APPROVAL OF CONVENTION OF WORLD METEOROLOGICAL ORGANIZATION SIGNED AT WASHINGTON OCTOBER 11, 1947

Hon. Lionel Chevrier (Minister of Transport) moved:

That it is expedient that the houses of parliament do approve the convention of the world meteorological organization signed at Washington on October 11, 1947, and tabled on February 14, 1949, and that this house do approve the same.

He said: Mr. Speaker, following the debate which took place when this motion was originally made, the convention was referred to the standing committee on external affairs and discussed there section by section. At that time hon. members had an excellent opportunity of getting such further information as they desired, and I think I need not add anything to what I said in my original statement. I recommend the approval of this convention.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, it was at my suggestion that this convention was referred to the standing committee on external affairs. As I had expected, the committee gave the matter its usual careful consideration, and has now recommended approval of the convention.

We learned that the world meteorological organization will be a successor to what has been known as the international meteorological organization, which has been functioning for about seventy-five years, and apparently with a considerable measure of success. When I spoke before I expressed some concern about other countries, such as Russia, getting weather information from Canada. It now appears that Canada needs weather information from Siberia, and that Russia needs weather information from western Europe. So that both blocs in the world today require this weather organization, and it is no doubt for that reason that there has been co-operation.

One can only express the hope that it may be possible to convince the two world blocs that they need each other in world affairs generally as well as in connection with weather reports. If they should reach that conclusion, then much of the friction in the world would be removed and the United Nations would be enabled to fulfil its high aim of preserving peace.

I am personally grateful to the committee for giving careful consideration to the convention, and I agree that Canada should join this organization.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I think perhaps I should say a word on the position taken by this party with respect to this convention. Generally speaking this group is very careful in international matters. We were happy when the convention was referred to the standing committee on external affairs. The members of that committee heard the evidence and asked a number of questions, and we gained the impression that the convention is not a binding treaty having the force of international law. It is more or less a co-operative arrangement, a sort of gentlemen's agreement. On that basis we have no objection to approval of the convention, because we think it will serve a good purpose.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I am glad the hon. member for Vancouver-Quadra (Mr. Green) has discovered the silver lining in the dark clouds that pass by. It is hoped that with co-operation among the nations of the world we can expect good weather all over.

Mr. Knowles: Carried.

Motion agreed to.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Marketing service—

26. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates, $644,159.

Mr. Pearkes: There has been a recent development in the northwestern states described as gas refrigeration for the preservation of fruits. This has nothing at all to do with the Alberta pipe lines, but it is a process by which gases are thrown off from the fruit, causing it to go dormant and thereby enabling apples and other fruits to be kept in a better state of preservation than in ordinary cold storage. Could the minister state whether experiments in this connection are being carried on at any of the stations, and if plants are being established for the co-operative use of farmers so that they could have the same benefits as those derived from other forms of cold storage?

Mr. McCubbin: Before the minister answers the hon. member for Nanaimo, I should like to reply to a question asked by the hon. member for Lake Centre when the cold storage bill was under discussion; I was unable to answer it at the time. I told the hon. member I

would give him the information when the estimates were under consideration. The hon. member asked what grants were made in Saskatchewan, Alberta and Manitoba under the act. I now have this information, which is as follows:

Name	Approved Subsidy	Year Built	Location
Manitoba			
Brandon Creamery and Supply Company	$ 9,600.00	1912	Brandon
Winkler Co-operative Creamery	5,931.00	1949	Winkler
Crescent Cold Storage Limited	87,567.93	1947	Winnipeg
North Star Cold Storage Company Limited No. 1	23,743.20	1943	Winnipeg
North Star Cold Storage Company Limited No. 2	23,835.60	1946	Winnipeg
Winnipeg Cold Storage Company Ltd.	104,950.26	1949	Winnipeg
Manitoba Cold Storage Company Ltd.	181,000.00	1939	Winnipeg
Saskatchewan			
Moose Jaw Cold Storage Co.	27,000.00	1913	Moose Jaw
Central Cold Storage Ltd.	48,403.72	1947	Prince Albert
Saskatchewan Co-operative Creamery	14,477.00	1912	Regina
Saskatchewan Co-operative Creamery	32,400.00	1918	Saskatoon
Saskatchewan Co-operative Creamery	6,735.00	1914	Vonda
Alberta			
Merchants Cold Storage	27,000.00	1911	Calgary
O'Riorden, R. D.	6,231.26	1946	Camrose
Alberta Poultry Producers Ltd	31,515.87	1945	Edmonton
Edmonton Cold Storage Co. No. 1	45,600.00	1913	Edmonton
Edmonton Cold Storage Co. No. 2	22,500.00	1944	Edmonton
Central Alberta Dairy Pool	10,380.90	1945	Red Deer

The Central Cold Storage Limited at Prince Albert was the particular plant in which the hon. member was interested. The following warehouses are under construction throughout western Canada:

Name	Estimated subsidy	Location
Manitoba Dairy and Poultry Co-operative Ltd.	$17,520.00	Brandon, Manitoba
Winnipeg Cold Storage Co. Ltd.	36,180.00	Winnipeg, Manitoba
Davidson Co-operative Association Ltd.	10,539.00	Davidson, Saskatchewan
Limerick Co-operative Association Ltd.	4,500.00	Limerick, Saskatchewan
Edmonton Cold Storage Co. Ltd.	60,000.00	Edmonton, Alberta

I hope that this is the information asked for by the hon. member.

Mr. Gardiner: In connection with the question raised by the hon. member for Nanaimo, may I say that there is an organization, I believe with headquarters at Vancouver, which has been promoting a plan along the lines suggested. I believe they already have a cold storage plant in Vancouver, but they are hoping to have cold storage plants also at Edmonton, Calgary, Regina and Saskatoon. They will promote the marketing of products in farming communities as well as urban centres.

The proposal was brought to our attention by the promoter, and we think it is good. The only reason it was brought to our attention was to inquire whether they could get the thirty per cent grant. I do not think there is any question about the idea being good; I believe it has been tried out and found to be successful in the United States, and I am sure it would give good service in this country. When an application is made for the thirty per cent grant we check to see whether there are sufficient cold storage plants in the vicinity. If it is determined that there are sufficient cold storage facilities, then we do not make the thirty per cent grant. But that does not mean that the company cannot go ahead and put up a cold storage plant if they desire to do so.

So far as I can recall at the moment, a check was made in Calgary and it was reported from all sources, including provincial government sources, that there is sufficient cold storage in Calgary, and that it would be detrimental to the cold storage that has been subsidized to have more cold storage at that point. There has been some inquiry made at Edmonton, but I do not think a final report has been obtained. My impression is that any reports or investigations that have been made at Regina and Saskatoon would tend to indicate that there could be more cold storage at those points. To my knowledge

that is as far as the discussions have gone. I do not know to what extent the company has been proceeding without giving consideration to possible grants from Ottawa, but the grants are available on the same basis as they are available to cold storage generally—that is, if conditions are such as to warrant it.

Mr. Bryce: I have had some difficulty in hearing what the minister said. I do not think he is properly warmed up yet. When you advance money to cold storage companies to erect and operate cold storage plants, is there a clause in the agreement allotting a certain amount of space to patrons of the district?

Mr. Gardiner: I am having as much difficulty in hearing my hon. friend.

Mr. Bryce: I would suggest that the minister sit nearer the centre of the chamber; then he will hear me and I will hear him.

Mr. Gardiner: You will have to suggest that people stop buzzing around us. There is too much murmuring going on. Otherwise I think we could hear all right.

Mr. Bryce: What I am asking the minister is whether there is a clause in the agreement with the cold storage company providing a certain amount of space for patrons of the district.

Mr. Gardiner: The old regulation in the provision for securing grants provided that there could not be more than fifteen per cent, but there is a provision in the act now, which was introduced in 1947, that where a strictly co-operative organization organizes locker space for the benefit of the people of the community they can have one hundred per cent if they so desire.

Item agreed to.

Marketing service—

27. Fruit, vegetables and maple products, and honey, including grant of $5,000 to Canadian Horticultural Council, $989,000.

Mr. Cardiff: Are we going to take a little time to ask a few questions, or are you going to railroad these items through without giving us a chance? If you are, we might as well let them all go through and allow things to remain as they are. I see that this item is down somewhat. Are we not getting the service we were getting before?

Mr. Gardiner: Service on what?

Mr. Cardiff: Under item 27. Nearly every item is down. Are we not getting the service?

Mr. Gardiner: It is an increase of $60,340. I do not think that is down.

Mr. Cardiff: I thought it was down. I beg your pardon.

Mr. Bryce: Is the government still carrying any honey?

Mr. Gardiner: Yes, the government is carrying about 2,800,000 pounds.

Mr. Charlton: Has the minister any idea as to the honey surplus that is being carried in the country at this time?

Mr. Gardiner: Well, that is about what it is. I have the figure here somewhere. My hon. friend probably wants the story more than just the figure. The figure is just about what I gave a moment ago.

Mr. Charlton: I do not want a story. I want the number of pounds.

Mr. Gardiner: Last year the persons handling honey came to us and suggested they had a surplus of 5 million pounds. I asked the house for a vote sufficient to purchase the 5 million pounds. When we started out to search for the 5 million pounds we managed to get approximately 3 million pounds. We have carried the 3 million pounds until quite recently. The honey people came back this year and asked for assistance again. When they came back I asked them whose honey the 3 million pounds was. Of course the fact is that there is one place you can sell honey at the present time, and that is in Canada. This year the production is low compared with last year. There was not any more honey in the country, so far as we could see, than had been sold before. I asked them whether they considered the 3 million pounds was government honey or whether they considered it was their honey. At first they took the position it was the government's honey. I said, "All right, we are going to sell it on this market." That changed the course of the discussion to a certain extent, and it was finally agreed that it was not our honey, that all that had happened was that they had a surplus of honey and the government stepped in and said that they would take it off the market for the time being until it could be sold. They said it should come back and be handled by the people who handle honey in Canada. As the result of the discussion we have made an agreement with them that they are going to sell the 3 million pounds, together with their own honey. So far as we know, the honey can be sold in Canada this year.

Mr. Charlton: As I understand it, that is all first grade honey?

Mr. Gardiner: What we have is nearly all No. 1. One of the points involved in the discussion was that the honey they now have was not all as good quality. Some of it is what they call dark honey, and it is

difficult to sell in this country, but it is sold at a lower price elsewhere. We sell it in Israel, Belgium, Italy and other places.

Mr. Charlton: Has the minister any idea what quantity of second grade or dark honey is in surplus supply?

Mr. Gardiner: I expected that more information was going to be asked for, and I have too much here. It is difficult to find the information, but it is here somewhere. I shall have to send out for the exact figures. As I recall it, the division has some 300,000 odd pounds of dark honey, but I have not the figures before me.

Mr. Tustin: I do not know whether the minister answered this question before, but is it the intention of the government to place a floor price under honey this year, and has the association requested this?

Mr. Gardiner: Up to the present it has not been considered wise to place a floor price under honey. We think there is a market in Canada for the honey that is available. On the basis of last year's sales there is a market for more honey than is available, with the exception of this dark honey, which is not salable in Canada.

Mr. Tustin: Has there been any request from the honey producers for a floor price?

Mr. Gardiner: No, there was no definite request. The discussion was along the lines I suggested a moment ago.

Mr. Ross (Souris): Would the minister let the item stand until we get that information?

Mr. Gardiner: There are many matters coming under this item in addition to honey.

Mr. James: Mr. Chairman, I cannot let this opportunity go by without having something to say about apples generally, and especially the apples grown in Ontario, with particular emphasis upon the excellent apples produced in Durham county; and I could include in that category Northumberland county as well. Had the supersalesmen from British Columbia not started peddling their wares and their grievances here last night I should have maintained my sphinx-like silence and allowed the business of the house to continue without interruption. As it is I must leap to the defence of the Ontario apple growers, whose produce throughout the years has been proven to be the finest in Canada.

For a few moments I would like to deal with the importance of the apple in the development of our world. Even in the beginning there were apples, and poor Eve fell victim to their irresistible charm. She knew that the McIntosh red upon which she gazed would have a flavour incomparable among all the fruits of the earth. She knew that one bite from the apple would make her healthy and wise. Could the devil have tempted her with a sheaf of western wheat, a bunch of grapes, a gold nugget, or a B.C. fir? No; it had to be that most attractive of all things, the apple.

The great law of gravitation was also discovered because of the apple; for when Newton sat under the trees in his orchard and saw one of those apples fall he began to wonder why the apple did not fall upward. Could he have discovered the law of gravitation by looking at a Prince Edward Island potato or the iron ore of Labrador? No; you and I must admit that the apple falling on Newton's head was of great importance in the progress of our world.

In national affairs the apple plays a great part. If you visit a certain town in Italy you will find a most delightful little chapel erected in honour of William Tell, who won his greatest fame because he shot an apple from his son's head. He never could have shot a grape, or a Winnipeg goldeye; therefore the apple all the way round, religion, science, sport and in every other particular, is the greatest of all the fruits, and we owe it an immense debt of gratitude.

Even in our bodies we have the Adam's apple, and when we talk of a thing of beauty we say "She is the apple of my eye." Why was it the apple was chosen to set forth those delightful, those entrancing, those incomparable qualities and virtues? Because it has within itself the very essence of value.

But I will give you the best proof of all that the apple plays a part in life when everything else fails. You remember King Solomon. He wrote a love poem at one time; and he had a good deal of experience in love. If ever there was a man qualified to write about love it must be King Solomon. You will find at one time that he got very sick of love, and when he desired something that would be a very excellent substitute he wrote this line in his poem: "Stay me with flagons, comfort me with apple, for I am sick of love." You can picture King Solomon with a jug of cider and a plate of apples. and he found that more consolation than all his wives.

I could go on giving example after example of the importance of the apple in our economy and in the health of our nation. Let us never forget the adage that an apple a day keeps the doctor away. I could tell of the versatility of this fruit. You can bake it, boil it, roast it or fry it; serve it with meats, or preserve it, or jam it, or pickle it. You can drink it; you can eat it. It has many

forms and many uses; that is what makes it so wonderful that no other fruit can be compared to it.

For the benefit of those who have listened so patiently, let me bring you up to date on the apple industry in Canada. For the past several years the industry has been flourishing and happy. The growers in Ontario and Quebec have watched the federal government extend financial and marketing assistance to the growers in British Columbia and Nova Scotia, a situation which was satisfactory to the Ontario people because it kept the British Columbia and Nova Scotia apples away from the Ontario market, giving the local producers a good domestic market which in most cases took care of the Ontario crop. To appreciate the picture fairly well it must be explained that in Nova Scotia and British Columbia the growers are confined to small areas compared with Ontario, so it was a comparatively easy matter to have the western and eastern apples packed and shipped or processed through a central agency. Such central agencies made it comparatively simple to distribute subsidies. In Ontario the growers are spread across the province, and it has been very difficult to set up any centralized control and sales organization.

This year an unfortunate event occurred which has left a sour taste in the mouths of the Ontario growers. Production of apples was high and markets were not too plentiful. Many orchardists in Ontario lost a considerable amount of money. One large grower has told me that he lost $40,000 and that a friend of his lost over $20,000. Others just broke even, and a few made costs but not much more. Early in the spring an announcement was made in this house to the effect that $2 million would be given to the British Columbia growers and $500,000 to the growers of Nova Scotia. There was no complaint from the Ontario people, who in many cases had also taken a financial beating. To make matters worse, a few weeks after that announcement, just when Ontario growers normally market their Northern Spies, it was found that British Columbia had been able to sell the large Ontario and Quebec chain stores on a proposal to give exclusive rights to British Columbia apples for a period of several weeks, during which an intensive advertising campaign was conducted in the press, paid for, as I understand it, half by the British Columbia growers and half by the chain stores involved. Needless to say this program literally wiped out the market for Ontario Northern Spies, which had to be held over and sold later or disposed of in other ways. Now we hear the hon. member for Kootenay West bragging how many apples they sold in Ontario and will sell in the future, to which I reply that had the Ontario growers received a $2 million subsidy, they might have been able to sell apples in British Columbia. But Ontario growers have received no subsidy, and find themselves in a grim position at the moment. Even though the subsidies, we are told, definitely will not extend to cover this year's crop of apples, both British Columbia and Nova Scotia have their marketing and packing organizations well established, due in the main to the assistance provided from federal funds. Certainly had it not been for that assistance they would not have been financially able to build up and maintain such organizations. It should also be pointed out that despite this yearly support from federal funds both British Columbia and Nova Scotia have continued planting young trees so that their production is now greater than it was ten years ago. In fact, as I understand it, the entire apple industry in Canada, is now producing about forty per cent more apples than can be consumed under present conditions in Canada.

The future of the industry appears to be precarious. Ontario growers have recommended that the federal government undertake a program of tree removal, in co-operation with the provincial authorities, to decrease the production of apples, but the minister has stated that any such program must be initiated by the province, which would appear to be the logical place for such a project to start. However, I do hope that the minister will continue to give serious consideration to evolving, in co-operation with the growers and the provinces in all of Canada, some method either of stemming production of apples or of increasing the demand for apples through advertising and other means, so that this industry, which is most important to the economy of our country, will again be able to carry on in a self-sustaining manner without the need for annual hand-outs.

Mr. Gardiner: Mr. Chairman, in answer to the question about honey, I have finally obtained the record, and as usual the record which I had in my mind was approximately correct. The amount of honey which we had on June 1, 1949, was 9,897,408 pounds. The amount which we had in stock on June 1, 1950, was, with the government, 2,949,000 pounds; as of June 10, which is the latest figure available, 2,896,000 pounds. The round figure which I gave to the house was 2,800,000 pounds. The amount which others have, as of June 1, 1950, is 6,502,000 pounds. That makes the total stocks 9,451,000 pounds, or

428,000 pounds less than we had at the same time last year. The amount of dark honey is close to the figure I gave. It is 336,000 pounds, and I believe the round figure I gave was 300,000 pounds.

Mr. White (Middlesex East): Is it the intention of the government to use the prices support act in dealing with other farm products? Is the pattern to be the same as that used in marketing the honey?

Mr. Gardiner: No; we have not any particular pattern that applies to everything. It is impossible to find a pattern that applies to everything. We consider each product on its merit, and deal with it on its merit. When the honey people came to see us, they did not ask us to apply the plan to this honey—

Mr. White (Middlesex East): In 1950.

Mr. Gardiner: —in 1950. They asked us to take all of the dark honey. During the discussion I brought up the question of who owned this other honey, the good honey, and who was going to sell it. When they suggested they were going to sell their own and ours was to remain, I suggested that we would sell ours in competition with theirs. It would have to go on the same market. There was sufficient market for all of it. We were quite prepared to have them market it, but if they were not prepared to market it, then we would market our own. They agreed to market all the honey. We did, however, assist in an advertising campaign for which we are paying $12,000.

Mr. Cardiff: Is the government carrying any maple products?

Mr. Gardiner: No, we carry no maple products. The only assistance we give maple products is in connection with taking care of the equipment.

Mr. Jones: I do not know whether item 29 covers the marketing of apples, and if it does, I shall hold my question until that item is called. I notice that item 29 contains an amount for marketing assistance, and I was wondering whether that included the marketing of fruit.

Mr. Gardiner: The marketing of fruit comes under item 27, which we are now considering.

Mr. Jones: In reply to the member who has just spoken, I wish to say that we grow apples in British Columbia, and I should like to remind him of the fact that half the Canadian apples are grown in that area. The remainder of Canada—Ontario, Nova Scotia and the other provinces—account for the other half, so that the amount produced in the Okanagan valley equals that produced by the rest of Canada.

I wish to deal briefly with the British market situation. I believe the member for Kootenay West and the member for Kamloops have already outlined our difficulties by showing how the British market constitutes our normal outlet. It is the normal outlet because the industry has grown up around it. I was wondering whether a special effort could not be made to market our apples this year. I noted what the minister said last night that we have to talk a different language. Perhaps that is so, but personally I believe there are other ways of doing it than by talking tough. The only way to do it is to have someone appointed especially to do the job. We send trade commissioners and other representatives to Britain to sell our wheat, bacon, cheese, and so on, and away behind come apples. I should like to see funds taken from one of these items to send a special delegation, appointed by the government and the tree fruit growing areas, to Britain. I am not speaking for our own area alone, but for Canada as a whole.

This delegation could go to the United Kingdom for the sole purpose of trying to sell apples and re-establish this market, not just for this year but for all time to come. As I have pointed out, Britain is buying apples from the other countries, such as Australia and New Zealand. I do believe that if a special delegation, with the strength of the government and the knowledge of the tree fruit board behind it, went to England and remained there until they made some sort of a deal, we would be satisfied. Special instructions should also be issued to the trade commissioners in the various countries to exert themselves to assist the growers in marketing their fruit, and pointing out to them the difficulty in which we find ourselves. I hope it is only temporary. The trade commissioners should be instructed to help the growers of Nova Scotia, Ontario, and all the provinces, to sell their fruit in these various markets.

Mr. Gardiner: Mr. Chairman, I do not want to leave the committee with the impression that less has been done to sell apples than has been done to sell other products. I venture to say there has been at least ten times as much done abroad to sell apples as needed to be done to sell anything else. We have been unable to sell apples in Great Britain; at least Britain has not wanted to take apples since 1939. We have discussed the matter with them every year to try to obtain a market for apples. When we could not obtain a market we have been called upon to subsidize the apple industry. Our complete subsidies in Nova Scotia have amounted to $18 million; our subsidies in British Columbia have

amounted to $4 million. This has been done in an effort not only to market the apples, but to make it possible for the producers to get a proper return. All the fruit has been marketed in some way or other. At times the apples were canned and given away, and at other times they were dehydrated and given away. We have tried in every way to market apples, and we have succeeded in marketing them. I do not believe the money which has been put into these subsidies has been thrown away. The apple industry is going to be necessary in order to supply the market.

The fact is, as the Minister of Trade and Commerce stated the other day, that right from the beginning of the war Britain said that the freight on apples was too high as compared with the food value of the fruit. During the time the war was in progress there was a shortage of shipping space, and Britain would not take apples at all. It was only at periods when there was shipping space available that they did enter into arrangements with us to take apples. When the war was over it was another problem. They started out as though they intended to take apples; but since then they have got into the position where they are battling with regard to dollars and sterling, and they are just not taking our apples.

I find it difficult to understand even the figures I gave last night. As I understand it, the British Columbia apple producers gave the British about 1,600,000 boxes of apples. They gave away 50,000 boxes, according to the statement from the press that I read to the committee last night. They gave 50,000 boxes to the school children and to the institutions. What did they do with the remainder of them? If they were sold to the people of Britain at the usual price, I just want to ask one question. Who ought to have the returns? I think that is an obvious question. I do not know what was done with the remainder of them, but I think the people of British Columbia who gave the apples ought to know. If they intended them to be an advertisement to the British people, then I think more than 50,000 boxes should have been given away. If they intended them to be a gift to the British government on which they could make money to put in the treasury well, all right; that is their own affair. There should be some questions asked about it. That is what I meant by talking to these people a little straighter than we sometimes talk. I do not think that the thirteen or fourteen million people of this country should be attempting in peacetime to feed a population of fifty million in a country that is now actually boasting, and I think properly boasting, of the extent to which they have rehabilitated their people up to now as compared with other nations of the world.

I do not think that a little bit of straight talking to them is going to do any harm. If we are to go on assuming that the people of this country are to give away everything they have, I do not know where we shall find the people who are going to buy what we have, because people apparently like having things given to them.

Mr. Cruickshank: Mr. Chairman, I was at a committee meeting when one of my colleagues came into the meeting and told me that an hon. member from the province of Ontario was discussing apples. I left the meeting and came here. My riding is not particularly noted for the production of apples, although it is noted for being the greatest agricultural riding in the Dominion of Canada. I am sorry I did not hear what the hon. member from Ontario said, but I shall read *Hansard* with interest tomorrow to learn what he said about Ontario apples. I can explain even to the member—I have forgotten his title now—who comes from down near London, why we have the great record that we have in British Columbia for our apples. The record of our British Columbia apples is based on our grading and packing. If the rest of Canada, particularly that great old province of Ontario, and to a lesser extent Quebec, would adopt our method of putting out only the best of fruits, and putting them up in the best way possible, they would be able to compete with British Columbia.

I wanted to say one further word on this. I am sorry I had to leave the other committee, but when I am told that something is being said about British Columbia apples I will leave any committee.

I agree with the minister. However, as a private member I can speak more plainly than he can as a cabinet minister. When the people of Great Britain needed our cheese, our butter, our evaporated milk and our fruits, they were delighted to get them to the extent of approximately $3 million as a gift. Since the war has ended they have been quite willing to buy, on a so-called cheaper market, products that have been produced by cheaper labour costs, cheaper production costs, and cheaper costs of all kinds. I think it is time that we talked in plain language to Great Britain. I know all about their foreign exchange control difficulties and the trouble they have in getting money. But after all, if Canada stood behind them in war, as we should have stood behind them, with manpower, financial assistance and assistance in

every other way, Great Britain should think a little bit more about buying our production, be it agricultural products, fisheries, lumber, or production of any other kind.

I know that the minister cannot say what I can say. I may lose a few votes for saying what I am saying, but I will still have enough to get in. I think my friends over here will agree it is time that we told some of those whom we assisted so much that they owe a little to Canada and to Canadian producers. Coming from British Columbia I do know that our fruit, whether it be apples or other fruits, but particularly small fruits such as strawberries and raspberries of the Fraser valley, are unequalled anywhere in the world.

Mr. Cardiff: No flavour.

Mr. Cruickshank: We want a part of the market. We in British Columbia want a part of whatever the foreign exchange control board permits our production to have.

Mr. White (Middlesex East): Can the minister tell us whether the 7 million pounds of honey that were sold between 1949 and 1950 were sold on the domestic market or on the export market?

Mr. Gardiner: The amount which was sold in Canada last year, as I remember the story that was given to me by those who sold it, was more honey than we have to sell this year, which is around the 9 million pounds spoken of here.

Mr. White (Middlesex East): Was this the honey that was held by the prices support board, or by the beekeepers?

Mr. Gardiner: We did not sell any of it. We bought it toward the end of the season when they thought they had 5 million pounds left over, but they only had 3 million pounds. In other words the amount sold was approximately 9 million pounds, and the amount held was approximately 3 million pounds, which made 12 million pounds. This year the amount which is held, all told, is just about sufficient to supply this market.

Mr. White (Middlesex East): The impression that I got was that the minister said that the agricultural prices support board had sold 7 million pounds of honey.

Mr. Gardiner: No, we never did that.

Mr. White (Middlesex East): That is the effort of the individual producers across the country.

Mr. Gardiner: Certainly; we have not sold any honey at any time in Canada, and do not intend to sell any honey at any time. We turn the honey back to the people who sell honey. We do not go into business.

[Mr. Cruickshank.]

Mr. White (Middlesex East): Did the minister do that with the butter that he had in storage?

Mr. Gardiner: Yes; we do not sell butter direct to the consumer in Canada; we turn it back to the trade, and they sell it.

Mr. White (Middlesex East): It seems to me that the minister is taking a lot of credit for things that he is not doing.

Mr. Gardiner: My hon. friend has been giving us a lot of criticism for things we are not doing.

Mr. Quelch: The minister has been carrying on a campaign to increase the sale of apple juice. Recently my attention was drawn to a flier put out by the Canadian Consumers Association—I think that is the right name—in which they stated that there was no food value in apple juice unless it was vitaminized. During the war you could buy vitaminized apple juice in this country. Today vitaminized apple juice is very hard to obtain. Would it not be possible for the minister to increase the campaign to get apple juice vitaminized? If that were done there might be a greater sale for it. If, on the advice of the Canadian Consumers Association, the people are not going to buy apple juice because it has no food value, the minister is not going to have much success in increasing consumption.

Mr. Gardiner: I think we would take a lot of the pleasure out of life if we consumed only the things that the consumers league thought had food value. It does not make any difference to me whether it has food value or not; I like it, and I am going to drink it.

Mr. Ross (Souris): You will be surprised to learn where some of the food value is.

Mr. Major: I wish to commend the minister for the attitude he took some time ago when he referred to apple juice in the House of Commons. It occurred to me that if some arrangement were made whereby honey could be used in the desserts in the Ottawa restaurants from now until the end of the session, we could sell a good deal of our honey.

Mr. Jones: Dealing first with the advertising given by the minister in connection with apple juice, may I say that I have received several letters indicating that sales have been increased already this year.

Coming back to the matter of the gift of apples to Great Britain, I understand that the tree fruit growers have been asking why the apples were sold when they reached Britain. Presumably steps will be taken to recover some of the cost of offering the apples for sale.

Mention has been made of the high cost of our apples this year. Naturally we are anxious to do anything we can to place our

apples on the market at as low a price as possible. However, the freight rate is something beyond our control. Anyone who looks at the apples offered in the Ottawa stores will find that the price per box is high. However, in that connection I should like to place on record some figures from one of the best orchards in the Osoyoos district. These figures are interesting in that they give a comparison of the prices received by the growers for the 1949 and 1948 crops. Three apples have been chosen, and the figures concerning them are as follows:

		Price per Box		
		Fancy Medium	Fancy	C-grade
Winesap	1949	$1.13	$0.96	$0.71
	1948	2.12	1.75	1.40
Delicious	1949	.99	.73	.44
	1948	1.85	1.49	1.09
Newtowns	1949	1.01	.83	.54
	1948	1.89	1.64	1.28

I place these figures on record because the impression is often left that the price has been extremely high. However, it must be pointed out that the average cost of production is between 90 cents and $1.05, and an examination of the figures I have given will indicate that the price received has been well below a dollar, which is the cost of production.

I fully appreciate what the minister has done in assisting the industry, but I fear that before the season is much further along an appeal will have to be made for help from the prices support board. However I am not dealing with that matter now. I have risen only to place these figures on the record, if hon. members would care to check them.

Mr. Charlton: In view of the fact that the minister has not commented on the observations of the hon. member for Durham, are we to assume that any further policy pursued by the dominion government will be acted upon only when a province has taken the initiative in a tree removal program?

Mr. Gardiner: I think it is correct to say yes to that. The only continuous tree removal program with which I am familiar in Canada has been carried on by the Nova Scotia government. It was carrying out such a program before the war started. During the war we were asked to take part in it, after we had begun to assist the apple industry in Nova Scotia because they could not market their apples in Great Britain. Out of that grew a program under which we assisted in paying for apples people could not sell, and taking the trees out so that they would not be there to sell. That was not a tree-pulling campaign, but rather part of a campaign to assist the apple industry of Nova Scotia. At the end of the war the suggestion was made that we carry on with that program right across Canada, but we said we would not. A minister of agriculture in one of the provinces came to see me about it, and I stated to him definitely that we were not going to proceed, but that we would expect the province to make a proposal to us under which they would pay at least half of the cost. He smiled and said that we could not be expected to accept that proposal.

That is the policy we are following. We say to the provinces: If you wish to have a tree-pulling program, then you must pay a very considerable part of the cost; present your proposal to us and we will consider it. However up to the present we have had no definite proposal other than the Nova Scotia plan except a brief one from Ontario to the effect that they thought the cost ought to be $3 a tree, and asked us if we would consider a program on that basis.

Mr. Charlton: That is, the dominion government was to pay $3 a tree?

Mr. Gardiner: We have said that we will not pay the full amount. The position taken at first was for $5 a tree, and we said it would not cost that much to pull a tree or to remove it. Then the next stand was at $4, and we said it would not cost $4. Now the sum is $3, and I presume they mean they will pay half and we will pay half. I do not know exactly what the proposal is.

Mr. Fulton: As the minister has outlined it, the program applies to any province. If a province wishes to institute a tree-removal program it must first put forward its program and a concrete suggestion as to the basis upon which it wishes the dominion to contribute?

Mr. Gardiner: Yes.

Mr. Fulton: Is this program in the minds of the federal authorities primarily an improvement program, so as to bring orchards up to date and enable the growers to have the kind of apples which are more readily marketable, or is it directed primarily to the removal of trees so as to cut down the overall production of apples?

Mr. Gardiner: So far as we have taken part in it—and all our activities have been in Nova Scotia—our objective has been to assist in the program they had undertaken and established. I believe they had both things in mind. There were many trees in Nova Scotia producing apples which reached the local market. If they were grown, they were offered for sale. It was better to have improved varieties which could find a market outside Nova Scotia to better advantage. So they were promoting both things, namely, cutting down the number of trees, and

changing the varieties to those which could be sold to better advantage. We helped finance the program during the war. We have not undertaken to do anything about it from then on. The matter is under discussion with the provincial government.

Mr. Fulton: I understand the federal authorities do not look at this as a program for cutting off production, but rather as an effort to concentrate upon finding markets for better varieties. I am not trying to minimize what has been done in the past, but I should hope the dominion government would try to market the apples rather than follow the questionable procedure of cutting back production because of a circumstance which we all hope is only temporary.

Mr. Gardiner: We have taken no position whatever in that matter, and we do not intend to take any. We will listen to whatever representations are made to us by the provinces.

Mr. Herridge: I should like to make a few observations, not only as a member but also as a grower, with a view to assisting with this problem in British Columbia. It is my opinion that the industry itself should soon take a definite stand with regard to unsuitable varieties. We have been producing a large percentage of unsuitable varieties. That was not serious during the war years, but it is serious now. I am of the opinion that the industry itself should lay down a policy for the elimination of undesirable varieties and for guidance in future planting of apple trees in Canada. I believe in the individual carrying a certain amount of the load, and the grower should perhaps pay one-third, the province one-third and the federal government one-third of the cost of changing from one variety to another.

Mr. Robertson: Mr. Chairman, I should like to associate myself with what has been said by the hon. member for Durham with regard to the apple industry in Ontario. Northumberland county adjoins Durham county, and we have many apple producers. These producers have been disturbed by the conditions that have existed, especially during the past year, and many are at a loss to understand why a subsidy should be paid in other provinces while the growers in Ontario receive nothing. I realize that the conditions in other provinces may be different, but I should like to have assurance from the minister that payments will be made under the agricultural prices support program rather than in the form of direct subsidies to the provinces.

[Mr. Gardiner.]

Mr. McLure: Mr. Chairman, much has been said about apples, and I think something should be said about the second staff of life, potatoes. I intended to speak on this matter when the first item was before us, but it was passed while I was out of the chamber. At that time the minister referred to this matter, as reported at page 2694 of *Hansard* of May 19. The king of potato growers and shippers was to have been here today to speak about potatoes—I refer to the hon. member for Victoria-Carleton—but he is unavoidably absent.

Following the minister's remarks there are a few things I should like to place before the committee. The minister did not agree with what had been said by other hon. members with regard to the sale of potatoes. Referring to the prices received by the potato growers, mainly those in New Brunswick and Prince Edward Island, the minister said that the average price for the year was 98 cents per hundred pounds, with a price of 99 cents per hundred pounds the year before. The hon. member for Brant then inquired whether that would be the price at the farm, and the minister replied:

> That is the price to the grower, as I said at the beginning of my remarks.

And again:

> I suppose he would deliver them at the village or in town or probably at the railroad station, but in any case that is his price.

That does not coincide with what the hon. member for Rosetown-Biggar had to say with regard to communications he had received from potato growers in Prince Edward Island and New Brunswick. I should like to put the record straight in this regard, and say that our people have not been getting the price they should, nor have they been receiving the best consideration from the department. I should like to quote from a report made by the potato industry promotion committee of Prince Edward Island, referred to in the Charlottetown *Patriot* of May 18 and reading as follows:

> It is impossible to accurately estimate the total gross value of the potatoes shipped this year, but it would run at a little better than 50 cents a bushel. The cobblers have been running around 75 cents per bushel for seed and the other varieties averaged about 50 cents per bushel to mid-January (1950) and from 45 to 47 cents a bushel since that time.

That was the price the potato grower or producer was receiving. The report winds up by saying:

> But the province's potato growers were not too happy about the record. It proves once again that the province can produce a bountiful as well as a top-notch crop. But the growers have been taking a financial beating because of the low price.

There has been considerable talk about surplus potatoes, and the suggestion has been

made that the acreage should be reduced. I do not believe there is a surplus; if there is, it is not caused by overproduction so much as by underconsumption. Last year certain agriculture specialists and leading professors in some of the large colleges in the United States endeavoured to find out the eating habits of the people of Canada and the United States, particularly with reference to the consumption of potatoes. It was found that the per capita consumption of potatoes had dropped nearly one bushel per year during the last twenty-five years. As compared with a per capita consumption of three bushels a year, the consumption had been reduced to less than two bushels. With a Canadian population of 13 million people, if the consumption was back to normal the entire Prince Edward Island crop of 13 million bushels could be marketed in this country.

What is the reason for this drop in consumption? It is due largely to dietitians, faddists and others who state that potatoes are fattening. The farmers at one time had the same idea, and they fed large quantities of potatoes to hogs with the idea of fattening them. While they were of some value as food, it was found that there were other things that were much better for fattening purposes. The farmer does not now believe that potatoes are fattening.

Let us go a little further with this question of the use of potatoes as food, and consider the countries that use them most for that purpose. Take, for instance, the people of Ireland, where potatoes were first used as a food and sent out from there to the whole world. What a great food they were! Let us see the effect that potatoes had on the building of a strong and virile manhood. At the age of twenty-one the young men of that country, after living on potatoes three times and sometimes even five times a day—it was their chief food, and should be in every home—left Ireland and brought their virile manhood to New York, Chicago, Philadelphia, Boston, all the large cities of the United States. What are they today? Because of their strong virile manhood they are chiefs of police in ninety-nine towns out of a hundred in the United States. Over eighty per cent of the policemen of the United States were born and bred in Ireland and fed on potatoes day in and day out.

A few years ago flour was more or less sidetracked because some faddist said it was not a really good food, although we know it is a staple of life. The department went to work and advertised the great benefits of flour. They told different stories about what a wonderful food it was, something that we all knew. Flour consumption returned to normal. Today what we need is advertising as to the food value of the wonderful potato. Let us break down the ideas of the dietitians and faddists. Let us go a step further and not allow any dietitians employed by the government or the Department of Agriculture to tell people how to cook a potato, because they do not know themselves. The way some of them mash a potato you would not realize what it was. Let the people eating potatoes cook them the way they want to. Let us advertise their food value, and tell the ladies that if they expect a virile race of men they must feed them potatoes. Feed them potatoes, more potatoes, and still more potatoes, because if consumption continues to drop we shall certainly have a surplus. It is not because we are overproducing; it is really because consumption is declining year by year. I hope the minister will see that advertising is carried on to place before the people the benefits of this wonderful food, which is not a luxury but a real food.

Mr. Harris (Danforth): If bread is No. 1 and potatoes are No. 2, then perhaps you will permit me to say that apples might be No. 3. I was a little disappointed that the minister did not answer the question raised by the hon. member for Northumberland (Ont.). I do not want to detract from the remarks of my young fifty-year-old friend from Prince Edward Island. In order to save time, when the minister is answering the hon. member for Queens about No. 2, potatoes, he might at the same time answer the question raised by the hon. member for Northumberland (Ont.) with regard to No. 3, apples. Let us get rid of Nos. 1 and 2, bread and potatoes, and deal with No. 3, apples, in answer to the hon. member for Northumberland.

Mr. Gardiner: In order to finish these matters as we go along, I might add to what I said earlier, part of which was read to the committee a few moments ago. I think the position has developed as to potatoes that we expected at that time would develop. There is not a surplus carryover of potatoes at present. The price today is from 50 to 75 cents higher than it was in January. What we said at the time was that we would keep a close check on potatoes as we went along through the season and do whatever we could to assist in getting potatoes marketed to better advantage for the producers than a year ago. My understanding is that the producers and those who handle potatoes have marketed 6,000 cars more this year than they marketed a year ago, and they are obtaining a better return now as the

result of what we did than last year. Therefore I think the situation has been handled satisfactorily. The fact that we are not receiving, and have not for some time, any further requests with regard to it would indicate that it has been satisfactorily dealt with.

Mr. Harris (Danforth): What about No. 3?

Mr. Douglas: Mr. Chairman, following the remarks of the senior member for Queens—I can never satisfy myself which he is—I wish to say that Prince Edward Island produced about 10 million bushels of potatoes in 1949. We shipped 11,000 cars, which is approximately 8,250,000 bushels. If we take another million for domestic purposes and another million for seed, that is approximately 10 million bushels. As to the price, I sold potatoes last fall in our own district through a co-operative company, and the price paid in November for foundation A cobblers was 75 or 80 cents. Later on it dropped as low as 60 cents per bushel. I think one week it went up as high as 92 cents a bushel to the farmer, which is no more than the cost of production.

I kept a record of a sixteen-acre field three years ago as to the cost of fertilizer, seed and labour, and it cost $112 an acre to produce an acre of potatoes. I kept a record of a twenty-acre field last year, and it cost $116 an acre. You can understand that the growing season has a great deal to do with the crop of potatoes. The average production in Prince Edward Island is 200 bushels per acre, and some farmers get as high as 350 and 400 bushels. The revenue from the potato crop accounts for about thirty-five per cent of our annual income.

A great many things could be said about the potato business as I look back over my years of experience since we commenced producing certified seed. The first thing we should have is sufficient storage to look after our crop. Last year I made a survey of storage facilities in Prince Edward Island. There are 102 stations on the Canadian National Railway where potatoes and turnips are assembled and shipped, and at those stations there are frost-proof warehouses with a capacity of 1,600,000 bushels. If you compare that with our production of ten million bushels you will see that we are far short of meeting our storage requirements. At our own station of Douglas we can store forty cars of potatoes. That serves a radius of about ten miles, or four school districts. We have been operating that warehouse on a co-operative basis for the last three years to the satisfaction of everyone, and the farmers have had good returns.

[Mr. Gardiner.]

I believe the grant of $100,000 which we receive from the federal government through the Department of Agriculture, as well as the assistance we get from the provincial government, should be used to the fullest extent possible to provide warehouses at the points where they are needed. At Summerside, Charlottetown, Georgetown and Souris we have large warehouses that are used for only about two months in the year for assembling potatoes for water shipment. However, those are not cold storage warehouses where potatoes could be kept for six or eight months. Our potato shipments are not made in one or two months; they extend over eight months of the year.

I believe we should have more storage capacity in order that the marketing of potatoes could be better regulated. We need an orderly marketing system. During the last few years a great deal of cutthroat competition has been going on among the dealers, large and small. I keep track of the markets in the larger cities, such as Toronto, Ottawa and Montreal, as well as western Canada. Many times I have been in those centres and have seen wires received in the morning quoting potato prices varying from ten to twenty-five cents per bag. You can see how confusing that is to the buyers. If we had an orderly marketing system we would be able to do away with this competition, as well as with the consignment of potatoes to over-depressed markets.

When I was in Toronto this year potatoes were selling for as little as $1.18 for a 75-pound bag, delivered. When you take away the price of the bag and the cost of freight, the dealer back in Prince Edward Island has left only about 60 cents, and you can see what the grower gets after the dealer takes his small commission. In the last eighteen months the freight rate has increased by 16 cents per hundred. For the last ten years the rate to Toronto was 39 cents. Now it is 55 cents. Someone says that can be passed on to the consumer, but I do not know whether that can be done. This high freight rate has made a great difference in the returns to our potato growers.

Over the last twenty-five years our producers have learned all about growing and grading potatoes. As I see it, the only problem now is marketing. As I said a moment ago, if we had an orderly marketing system I believe many of our difficulties would be overcome. We have the finest potato inspection service in existence, both with respect to table stock and seed potatoes. This service has been developed under two able men. One is Mr. Peppin, of the seed department, who I am sorry to say is leaving the service next year because of his age, and

who has done a wonderful job over the last thirty years. The other is Mr. Chester E. Shaw, the chief table stock inspector, who is also retiring in about another year. I am sure everyone who knows what he has done for the potato growers of Prince Edward Island will have a word of praise for him.

I could go on for an hour; in fact I could write a book on the potato business, having been connected with it since 1921. I have seen many ups and downs. Many people have gone broke in the potato business, though for the last few years the growers, and the dealers especially, have done very well. To solve our problems, however, we should have more and better storage facilities, and the growers themselves should make some suggestions to the government that would bring about a system of orderly marketing. I have been speaking to many people in Ottawa and Toronto who say they would be quite willing to pay a decent price for potatoes, which this year were much cheaper than other foods on the market. I believe we must blame ourselves for this system of marketing, which can be corrected by those in the industry. I do not think we can blame the federal government.

Last year many representations were made to the Department of Agriculture with respect to a floor price. Well, if you start paying floor prices you never get to the end of it. I do not believe in a floor price unless you have control of the acreage, because if a farmer is making the cost of production he will keep on growing potatoes. In Prince Edward Island and the maritimes we are like the people in western Canada; we are great "next year" people; we always hope that next year will be a killer and we will make a lot of money.

I do not believe it is necessary for me to say anything more. The senior member for Queens understands the situation in our little province as well as I do, and I am sure both he and I will be glad to do everything possible to help the potato growers. I should like to give just one quotation that I read in the newspapers, credited to the New Brunswick minister of agriculture, who said: "We are still carrying on the same old antiquated marketing system we had fifty years ago." I thought that was the truest thing I had heard in many a day, and I heartily agree. It is up to ourselves to improve the situation and help our people who, after spending their time and money, after getting up at three o'clock in the morning to spray potatoes, after wearing out machinery, at the end of the year find they have scarcely enough money to pay the fertilizer bill.

Mr. Harris (Danforth): I hope hon. members realize that the hon. member for Durham raised a question—

Mr. Gardiner: If you will allow me, I will answer it. I have tried three times to do so.

Mr. Harris (Danforth): I am just trying to interpolate something else I think the minister should know, if I may. I quite agree that potatoes are the No. 2 item, but it has been my happy privilege to realize that central Ontario is in the apple business. We have heard only about the apples grown in Nova Scotia and British Columbia, but I might say that Ontario is also in the apple business. I want to say, Mr. Chairman, that there are other parts of the world, largely within the confines of the British empire, that are in the apple business. I do not apologize for taking a few moments of the time of this committee to inform the members that I saw an area in Tasmania one mile long by several rods deep covered with red apples. This was during the war, and they were not being harvested because there were no bottoms to handle them. I realize that the socialist government subsidized the farmers who grew those apples. I realize, sir, that the time is coming when those orchards will again be in production, and the markets of the empire will be supplied from Tasmania.

Did I say one mile? Yes, one mile on one side of the valley and a mile on the other side, as far as the eye could see, there were thousands of bushels of apples lying awaiting ships which were not available. Ships are now available in the harbours of Tasmania to bring those apples to the British market. I am putting these facts on the record for the benefit of the Canadian apple industry, because I believe that within the next decade that industry will be in a precarious position. The member for Northumberland (Ont.) asked the minister a question, which has not been answered, concerning the apples grown in central Ontario. I believe that within the next decade our apple industry will find itself in difficulty. It is my duty, Mr. Chairman, to put these facts on the record, so that those charged with the responsibility of the No. 3 item—bread first, potatoes second, and apples third—can give them some consideration.

Since we have to depend on export markets for the revenue to keep this industry going, we must consider the various places that produce this No. 3 item. In my opinion apples will come from Tasmania in the future because that area's production is of such magnitude, and of such a nature, that the producers of central Ontario should carefully consider what they are going to do

about expanding this industry. My real reason for rising, Mr. Chairman, was that I thought the member for Northumberland (Ont.) should have an answer to the question which he brought up about twenty minutes ago.

Mr. Gardiner: Mr. Chairman, as I recall the remarks which were made by the member for Northumberland and the member for Durham, they were calling attention to the fact that financial assistance had been given to the apple growers in other parts of Canada but not the Ontario growers. That is true, of course. On a previous occasion I believe I indicated that other assistance had been given the Ontario apple growers during the war period. It was indirect assistance, because the apples from British Columbia and Nova Scotia were ruled out of the central Canada market until permits were issued for the marketing of them. This left the best market in Canada open to Ontario and Quebec apples.

Later the action taken was not quite so drastic, but we did have an understanding with the Nova Scotia and British Columbia apple producers that they would not put their apples into that market until a certain time of the year. This understanding was religiously carried out until last year. The result has been that the apple growers in Ontario, and I think they will agree with me, received the best returns they ever had for their apples during that ten-year period. Last year again there was considerable care taken with the marketing. When the season opened we told both British Columbia and Nova Scotia that we were not making an agreement in advance this year covering the marketing of the crop. We were prepared to consider what had happened at the end of the marketing season, and deal with the situation on the basis of actual results.

When the end of the season arrived, we checked the returns which the Ontario growers received as well as the returns received by the growers in the other two provinces. Even after assistance had been given to British Columbia and Nova Scotia, the returns obtained for apples in Ontario were considerably higher than in those areas. There is no reason, therefore, why the government should assist Ontario in obtaining a higher level than that which has been attained, unless we are prepared to raise the returns received in British Columbia and Nova Scotia to a higher point. The Ontario returns are still higher than the returns in either of the other places.

As I understand the question, it related to whether assistance is to be given in the future. The only legislation under which assistance could be provided in connection with price levels is the Agricultural Prices Support Act. The apple producer has a right to expect consideration under that act, the same as any other agricultural producer in Canada. The question would be considered on its merits when the application is made. No undertaking can be given in advance. It is a matter that will be dealt with on its merits when the time arrives.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Marketing service—

27. Fruit, vegetables and maple products, and honey, including grant of $5,000 to Canadian Horticultural Council, $989,000.

Mr. Shaw: Before this item passes I should like to refer for just one moment to the subject of apples. This morning, and upon previous occasions, representatives from the apple growing areas of Canada expressed considerable alarm about disposal of the Canadian apple crop at remunerative prices. At the time that that discussion was going on there went through my mind a recent press dispatch. I looked it up and I found that the Ottawa *Evening Journal* of Wednesday, May 24, 1950, carried the following dispatch from Montreal:

> Port officials said today that the freighter *Port Alma* carried coals to Newcastle. The freighter brought 30,000 cases of apples from New Zealand to Canada, one of the world's largest apple producers.

My questions are these: Can the minister give us an indication of the total value of apples imported into Canada during the past year, and the total exports during the same period and the prices in each instance, that is, the retail prices of the New Zealand apples as compared with the market price of the Canadian apples?

Mr. Gardiner: I am sorry but I have not the exact figures on the exports here, but they are very small. I presume—

Mr. Shaw: Is the minister speaking of exports?

Mr. Gardiner: Imports, rather. Imports that come into this country from outside are very small. I have not the exact figure here.

Mr. Shaw: Would it be impossible to get it?

Mr. Gardiner: No, it would not be impossible; it could be obtained. I think likely I have it in this pile, but it would take a while to look it up.

Item agreed to.

Marketing service—

28. Livestock and livestock products, $1,204,012.

Mr. Hodgson: I should like to say a word or two on this item. Since quite a number of farmers and hog producers in my riding are quite perturbed about the way being made possible for United States' meat and meat products to be allowed on to the Canadian market I ask the minister to make a statement as best he can as to how long the market will be left open, and what effect it might have upon our Canadian market.

Mr. Gardiner: What is the first part of the question?

Mr. Hodgson: Has the minister any idea how long the embargo will be off products coming in from the United States, and what effect it will have on the Canadian market?

Mr. Gardiner: A question was asked the other day with regard to what the government's intention is in connection with the payment of a premium on pork which goes to Britain following the thirtieth day of June. I said here I was under the impression that from the nature of the announcement made on the 3rd of January probably a further announcement was not necessary. I have read the press reports of that time carefully, and I would say that a further report is necessary. Because of that I have, since discussing it in the house the other day, taken it up with council, and the government has decided that the premium will continue to be paid, or a subsidy will continue to be paid, until we have taken in the 60 million pounds. That means it will go right on just as it is from the 1st of July on; and all other regulations with regard to the handling of pork products will go along in the same manner as they are going along now.

Mr. Hodgson: I have a supplementary question. Can the minister give us any reason why bacon took such a big jump just lately from 90 cents a pound to as high as $1.25 a pound?

Mr. Gardiner: Well, I suppose it is because hogs took a jump from $26.50 to $32.

Mr. Charlton: Since the minister made his statement with regard to the hog subsidy continuation it probably alters the remarks I have to make at the present time, but it does not alter the fact that at the end of his remarks yesterday in answer to my question and in answer to the question of privilege I brought up regarding a news report by an informed official of the department, he said this, as reported at page 3471 of *Hansard*:

> I see these articles in the press from time to time about what informed officials have said, but I have not been able yet to find the well informed official who gave that statement.

What I have to say is this: I doubt very much whether any one of us who knows the minister as well as we do would have any thought that someone else would be running his department for him. Here is part of the statement, as it appeared in the press on Friday, June 9. It is a Canadian Press dispatch in the *Globe and Mail* and reads as follows:

> On the Farm Front
>
> Support of Bacon Price May Continue After July
>
> Ottawa, June 8 (CP). The government is considering the possibility of extending price-support for bacon beyond the termination date of July 1, and it is expected that in all likelihood the program will be continued for another half-year, an informed official disclosed today.
>
> He said the decision to reconsider government policy arises from requests by hog producers that the program be extended and the fact that the government has not as yet been successful in buying sufficient bacon to fill the 1950 Anglo-Canadian bacon agreement.

The last paragraph of the article reads as follows:

> The official said there is now no need to follow through with such a plan immediately. Pork would be in comparatively short supply during the months of June, July and August. Marketings are expected to increase in September, when the government again hopes to be able to make purchase under the agreement and possibly fill the Anglo-Canadian contract before the end of the calendar year.

The minister's reply to me was:

> I see these articles in the press from time to time about what informed officials have said, but I have not been able yet to find the well informed official who gave that statement.

Mr. Cardiff: He gave it himself.

Mr. Charlton: To me that is utter nonsense, because no official of any department of government, I do not care who it is, would give a statement of this kind to the press without first consulting his minister.

Mr. Gardiner: My hon. friend either does not know very much about departments, or he does not know very much about the press. As a matter of fact everything in that statement is wrong, every single thing in it, and I do not give out wrong statements with regard to my department. That is simply a guess in order to get my friend to get up in the house and say something. He has got up and said it.

Mr. Charlton: I am afraid he is—

Mr. Gardiner: I would not be at all surprised if he discussed it with some of the press before he got up and said it.

Mr. Charlton: That is absolutely untrue. I did not discuss it with any member of the press.

Mr. Gardiner: My hon. friend had better listen to my language again. I said: "I would

not be surprised"; and I would not be surprised at all. The actual position is that the government never had discussed it until half an hour ago. I took it up with the council since I was here this morning and had it considered; and this is the first time it has ever been considered by the government since last January. Now, read your article again in the light of that.

Mr. Charlton: I have read it several times.

Mr. Gardiner: Your article says that it was being considered by the government. It was not being considered by the government at all. The whole article, as you go through it, is just in the same tone. It is for the purpose of stirring up more discussion so that there will be more news to write. There never was any official who discussed it with me and then gave it to the press. It may have been discussed by an official with the press—I would not deny that—but it certainly was not discussed with any official who ever discussed it with me, or I would know who the official is, and I would know how to deal with him. That statement was never given out by the department at all.

Mr. Charlton: Is the minister suggesting that the press is simply fabricating these stories and publishing them without discussing them with anybody?

Mr. Gardiner: I did not say that, no.

Mr. Murray (Cariboo): They set up a straw man.

Mr. Drew: Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Drew: There is one point I wish to raise in connection with the discussion that has been taking place on this item. I refer to a statement that was made by the minister last night in dealing with the general discussion of this very same item, and repeated again this morning in other words.

Mr. Gardiner: I am afraid my hon. friend is not correctly informed up till now, because this item came up for discussion just five minutes ago.

Mr. Drew: I am not referring to this item; I am speaking about something else.

Some hon. Members: Order.

Mr. Drew: Mr. Chairman, I understand the minister was under the impression that I was speaking about the subject he has been discussing. I have no desire to break the continuity of that discussion, if it is being proceeded with, or if there was some question to answer in connection with it.

[Mr. Gardiner.]

Mr. Gardiner: My point was that last night we were discussing item 23. We were on other marketing service items until five minutes ago, when we switched to the subject of livestock, which is the next item.

Mr. Drew: The general discussion has to do with production and trade in various agricultural products, and what I have to say relates to the general discussion which has been under way.

I wish to refer to a statement made by the minister last night, and repeated in other words this morning, which it seems to me does call for clarification. That is particularly so in view of the fact that here in Ottawa at the present time are representatives of the press from every part of the commonwealth.

Throughout the whole of Canada today the Canadian Press has carried a dispatch based upon a statement made by the minister last night. I quote now from the Canadian Press dispatch:

> Agriculture Minister Gardiner indicated tonight he thinks it is time Canada started to talk tough to Britain in trading matters.
>
> It is time, he told the commons, that Canada stopped talking nicely to some people in Britain when she tried to obtain British markets for Canadian food products. It was time for "more direct" talk by Canada.

That statement by the minister may well be a statement that should have been made; but the minister has said either too much or too little. This is the kind of statement which very naturally and very properly will receive considerable attention in the United Kingdom. If this statement was intended to be taken seriously, as I think it was, then it is important that the minister should go further and say exactly what he does mean; and he should indicate whom it is he is talking about.

There is not, I suggest, any doubt, in the minds of members of this House of Commons that the people of Britain have every desire to trade with the people of Canada. I do not think there is any thought in the minds of members of the house that the people of Great Britain would not willingly wish to have arrangements made which would make available to them the products of this country.

The statement is made that there are some people who should be spoken to in a much firmer way than they have been spoken to before. I think we should know whether those are members of the present government of Great Britain, and I do not know why we should be left to guess as to who they are. After all, the way this matter stands today, a very important statement has been made affecting the relationship of two countries in

trade matters, affecting the relationship of two governments, and I think it should be specific.

I think there is an added reason why it should be specific, and that is that there is also carried in today's press a very important statement from Great Britain. The Canadian Press also carries a report of its correspondent newspapers today which reports on a decision by the party which forms the present government in the United Kingdom. This has some possible relationship to the statement that was made, and cannot therefore be ignored. If it has no relationship, then I think we should know it.

In an announced decision of the party from which the government of the United Kingdom is formed it is stated that they last night reached a decision based upon a statement prepared by the Hon. Hugh Dalton, who is a member of the cabinet of the United Kingdom, and was presenting this statement in his capacity as a member of the executive of the party to which he belongs. In this particular case they are explaining the reasons why they reached the decision not to enter into a plan for the pooling of resources of a certain type throughout Europe, with which it had been suggested that they might be associated. And in that statement that was given in support of their decision not to agree to join in that plan, the party which forms the present government of the United Kingdom is responsible for this statement, among others:

> Socialists would of course welcome a European economic union which was based on international planning for full employment, social justice and stability. But international planning can only operate on the basis of national planning. And many European governments have not yet shown either the will or the ability to plan their own economies.

That paragraph in the statement issued last night has already been interpreted by the responsible press in Great Britain and elsewhere as a declaration that the government of Great Britain is being guided in certain of its actions by its willingness or otherwise to deal with those countries which are accepting certain doctrines of which they approve.

In view of the fact that this statement appears at the very same time as the statement by the Minister of Agriculture to the effect that there are certain people who should be spoken to frankly, then I think his statement should go further and indicate whether it has any relationship whatever to the insistence upon the acceptance of certain types of sale and purchase related to political doctrines, or whether there are other reasons. Also he should tell us who the people are to whom we should direct these franker points of view, which might have some practical results.

May I say as one member of the House of Commons that in connection with any dealing with Great Britain or any other country my first concern is certainly the advantage of the people of Canada. If any steps are being taken to our disadvantage, then I think we should have full information, and I think also that all of us should join in a perfectly frank expression of our opinion.

Mr. Gardiner: Mr. Chairman, in reference to the words used last night, I do not think it is necessary to take them from the press, because they are in *Hansard*—and they are much more correct in *Hansard* than they are in the press. They are not so different, except as to the first term that was used. These are the words:

> I think it is about time we stopped talking nicely to some people over in Britain. That does not apply to very many people, just one or two; but until they are spoken to directly I do not think we should look for very much success in the marketing of some of those products in that country.

At that time we were discussing the item relating to apples. I still maintain that that is correct. Coming down to the suggestion that it might result from the attitude of some political party, I would answer that by saying this, that the plan under which we operated from 1940 until 1948 was a plan which was set up under the Churchill government, with Lord Woolton as minister of food. The system of having the government purchase food coming from outside of Britain as well as food produced in Britain was set up by the Churchill government. It was continued in much the same form at least until 1948, and probably is still continued in Great Britain in relation to most countries.

Under that plan it did not make any difference which government was in power, whether it was a Conservative government, a coalition government or the present socialist government. The general plan was to take all the food they could get from Canada—that was their attitude—and our attitude was to supply all the food we could. When we met together to discuss the question it was merely a matter from their point of view of how much we could give them, and from our point of view it was a question of what they were able to pay for it. We entered into an agreement and we then went out to our farmers and asked them to produce enough so that we could at least provide the quantity which they desired to have. That was the general trend of it.

But as I said last session, when we got along to 1947 it was intimated that that was not their general desire, that what they

would like us to do was to cut out everything but wheat. We suggested that that was going to be most difficult. We were prepared to co-operate as far as it was possible to co-operate in getting our sales made elsewhere or in our own markets at home in order to consume the food we were producing and we did co-operate in every possible way in getting that done. We have been co-operating in every possible way down to the present in getting that done.

Up until now we have been able to market our farm products. We have not very much complaint about the prices of farm products, which are just as good or a little better in this country than they are in most places, with one or two exceptions. For that reason we are not complaining about what the farmer is getting for the products he has to sell. He is doing as well now as he has ever done in selling his products.

I am sure many people, either in this house or outside, have the feeling, and it certainly is true among farmers throughout the country, that we are not always going to be able to eat all that we produce or even as great a percentage of what we produce as we are able to eat at the present time. Some people think that the natural place to sell any surplus we have is in the United States; some think that the natural place to sell it is in Great Britain; but in my opinion the natural place to sell it is in both places to the extent that it can be sold.

I think that when our friends who depended upon us so greatly during wartime for food are going to take the position, "Well, we would like to get food anywhere but in Canada," we should not even attempt to say anything different from what I have said either in this house or outside this house, with regard to their attitude. I do not care whether that attitude is the attitude of the government or of the opposition. The last time I was in Great Britain they invited me to sit in the gallery and there was a debate on food put on. I listened to it and afterward I told them what my impression was. I was told that they thought that that would be my impression when they asked me to sit in the gallery. My impression was there were there many people who were concerned, and properly so, about getting all the food they possibly could produced within Britain. That has been the long-term Conservative policy in Great Britain, and it is still the policy in that country. There was not much difference between the two sides of the house on that particular question. Their first desire, like ours, is to produce in Great Britain all they can. Then their second desire is to have it sold at as good a price as possible in their own market, and they subsidize the sale of it before it goes to their people.

We are a little differently situated. I personally think most hon. members—and I am quite certain the leader of the opposition thinks likewise—should pride themselves on the fact that we belong to the British commonwealth. For many years we prided ourselves on the fact that we belonged to the British empire, but in more recent years we have called it the commonwealth of nations. I may be wrong, and if I am I am quite prepared to be considered wrong, but I do not think there has ever been a better organization set up in the world, and I include the United Nations, to promote peace throughout the world than the British commonwealth of nations.

I think it most important that our relationships with the centre of the empire should be of the most cordial kind and I believe the manner in which they can remain on that basis as between a considerable part of the population of this country and of Great Britain is for them to take our food in the same free way during peacetime as they did during wartime. That is what I meant by saying that we should speak to them bluntly.

I do not think there is any dollar-sterling question in the world or any dollar-sterling problem as between Canada and Great Britain that is more important than the maintenance of good relationships between those two areas. That is all I meant by what I said, and that is what I still mean and that is what I am still prepared to say, either in the house or outside. I think it is the duty of Canada to produce all the food for Great Britain she can, and I think it is equally the duty of Great Britain to buy all the food she can from us rather than to go elsewhere for it. If they do that and if we keep up our production I think we are both going to be better off even if it does take some dollars that they otherwise would pile up.

It would have required only $30 million last year for Great Britain to have satisfied all the demands of agriculture in this country as to the sale of food. If the $30 million had been proffered, under the plan of co-operation in solving their problems as well as our own, I venture to say that they would not have had to use half of it. Our people would have been perfectly satisfied that they were being treated properly, and their people would have been perfectly satisfied that they were getting all the surplus food there was from this country. With a question as simple as that I do not think we should be carrying on controversy and discussion as to whether Great Britain should take our apples or

whether she should take the little bit of pork we have. When I said a little bit last year some people were inclined to scoff, but it has turned out to be even smaller than I thought it would be. I thought we were going to have 60 million pounds by this time and we have only 12 million pounds. When this problem is such a small one, I think all this talk about its being caused by the fact that there is some dollar-sterling problem just is not the case at all.

If we could get that into the minds of one or two people probably we could settle the question so far as Great Britain and Canada are concerned. We are not going to settle the dollar-sterling question so far as the world is concerned. But I repeat, I think it is important that we produce as much food as we can for Great Britain, and I think it is important that Great Britain should take as much of it as she can take, important from the point of view not only of ourselves and herself but of the whole world over a period.

Mr. Drew: Mr. Chairman, I just want to say that I for one welcome the statement by the Minister of Agriculture that there is nothing so important as to take such steps as will make it possible to carry forward this trade. As may be recalled, we have introduced a number of resolutions which had as their purpose the presentation of that very point of view. When the Minister of Agriculture says that he hopes there will be those who will understand that there is no dollar-sterling problem nearly as important as arranging for this sale, I hope he will convince the Minister of Finance of that very fact, because in answer to our argument along that line we have been told by the Minister of Finance that this is an insurmountable barrier. The minister has not yet answered the question I put to him. Frankness is just as desirable in one's own family as outside, and perhaps more so, and if frankness is desirable in this case then at least put us all in the position where we can join in being equally frank, and tell us who these one or two people are who need to be spoken to. We know it is not the people of Great Britain generally, and I think it is desirable that there be complete frankness.

I certainly concur in all the minister has said about the importance of the trade between Great Britain and Canada. Since this subject has been brought up by the minister, I would go further and say that Canadians cannot look without some measure of concern at the published statements that some of the food products we have been supplying are now being bought from countries behind the iron curtain. There may be explanations for that, but I think we would be less than frank if we did not say quite clearly to these friends who are so close to us that the purchase of things which we produce from countries against which we are arrayed in so many ways can only create uncertainties at this time. Whether we call it an empire or a commonwealth, the main thing is that it is the greatest partnership of free nations that the world has ever known. If frankness will help to remove any ground of misunderstanding, then I think all hon. members will welcome the opportunity to be quite as frank as the minister, but I think it would help if we knew where to direct our remarks.

Mr. Gardiner: In dealing with the name of the person who was mentioned I will say that Mr. Dalton was one of the most friendly persons I have met in Great Britain on any occasion when I have been there to discuss anything relating to Canada. Whatever his position may be on international relationships, I am certain that he agrees that Canada did a good job during the war, and that she is entitled to have a good job done for her in times of peace. I know he thinks that.

Mr. Ross (Souris): In view of the statement the minister made a few minutes ago in answer to the hon. member for Brant-Wentworth, and coupled with the remarks he made just a little while ago when he stated that members of his department did not issue this information to the press without his knowledge—

Mr. Gardiner: I did not say that.

Mr. Ross (Souris): I understood you to say that.

Mr. Gardiner: I said they did not issue it with my knowledge, and I had not yet found the person who issued it without my knowledge, if there was any such person.

Mr. Ross (Souris): The minister further said that if they did he would know how to deal with them. I think those were his exact words.

Mr. Gardiner: That is right.

Mr. Ross (Souris): I presume that would also apply to his parliamentary assistant. Would that be true?

Mr. Gardiner: My parliamentary assistant was elected by the people of Canada, and he has the same freedom of speech as my friend on the other side.

Mr. Ross (Souris): All members of the cabinet are elected in their respective constituencies by the people. There was a time when we used to think there was cabinet solidarity on certain principles. Has that also gone by the board?

Mr. Gardiner: No, no.

Mr. Ross (Souris): Then the same thing does not apply within the department between the minister and the parliamentary assistant? They are not supposed to see eye to eye on government policy?

Mr. Gardiner: He is not sworn in as a member of the government.

Mr. Ross (Souris): If the hon. member who is saying something over there would care to rise and make a speech I will sit down now and let him have the floor.

Mr. Gardiner: You are asking me questions and I am answering them.

Mr. Ross (Souris): A great many people where I live thought that probably the parliamentary assistant was flying a kite for the minister last fall in what he was reported to have said by many newspapers, and newspapers right in Ontario too.

Mr. Gardiner: And he corrected it.

Mr. Ross (Souris): I have not heard it corrected in the house. If he wishes to do so this will give him an opportunity. In British Columbia *Country Life* there is the following:

> Advice of Robert McCubbin, parliamentary assistant to Right Hon. J. G. Gardiner, Minister of Agriculture, to his fellow farmers, so the Canadian Press reports, is that they develop their own markets and do not rely on the dominion government to help them secure outlets. Under normal circumstances that would be sound advice but under present circumstances it is difficult to understand how such advice could be followed, because the farmers are helpless, in respect of developing markets within the British commonwealth of nations and in foreign countries.

That is the very matter we have been discussing. The parliamentary assistant is in the seat beside the minister, and if he wishes to contradict that statement I think this would be a most appropriate time to do so. If he was not flying a kite for the Minister of Agriculture I think he should explain what he meant by the statement because it was taken very seriously by farmer producers across Canada from coast to coast. As I say, we have been led to believe in the past, if not under the present government, that when a minister made a public statement he was setting forth government policy for the government. Probably that is not the case today. I do not know. I think we should be able to take it that the parliamentary assistant would be stating the policy for his department at least. If the parliamentary assistant wishes to contradict that, this is his opportunity to do so.

Mr. Gardiner: Mr. Chairman, because this is such old straw and has been dealt with so often, the parliamentary assistant did not expect it would be brought up today. He has sent out for the statement that was made. In due course it will be here and he will make his reply.

Item agreed to.

Marketing service—

29. Marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $6,000, $100,000.

Mr. Knowles: Item 29 includes an amount not to exceed $6,000 which is to be used for temporary appointments that may be required, notwithstanding anything contained in the Civil Service Act. I have not gone back to the year one, but I have gone back a few years, and I find that this item has been in the estimates at least since 1945. The total amount of the vote has been increased from $25,000 five years ago to $100,000 now. I should like to point out that the portion of the vote about which I am talking, namely, the item for appointments notwithstanding the provisions of the Civil Service Act, has been reduced. The amount available for such appointment or appointments used to be $15,000, and now it is only $6,000. I wonder whether the minister is aware of the fact that this is one of the items about which the Auditor General has commented in his memorandum to the Senate and to the public accounts committee of the House of Commons this year. His comment centres around the fact that this is the kind of item in the estimates that has legislative effect without parliament having gone through the normal procedure to provide for such legislation.

The Civil Service Act makes provision as to how people are to be appointed, but in this case apparently some one or more persons are being appointed to allegedly temporary positions notwithstanding the provisions of the Civil Service Act. In all fairness I should point out that the Auditor General recognizes the convenience of this procedure for temporary appointments. However, he deprecates the practice of repeating it year after year. As a matter of fact there are some twenty or thirty items throughout the estimates to which the Auditor General calls attention under this general heading. This happens to be the only one that he points out in the estimates of the Department of Agriculture, so far as the practice of legislating by items in the estimates is concerned. I would like the minister to tell me how many persons are covered by this $6,000 portion of the item now before us. If it is only one person I should like to know how long that person has held the position. Perhaps I can get that information and then ask my next question.

Mr. Gardiner: My information is that only one position is set up under this amount at the present time, and that position is on the staff of Mr. Robertson over in London. It was occupied for some time by a lady, whose name I do not have at the moment, and the position has to do with the publicizing our marketing possibilities in Great Britain. This item, which has been increased from $25,000 to $100,000, is the general marketing item in the department. Up to last year we did not use it to the extent we are using it now. The largest item being spent under it is the $50,000 we are using to advertise butter and dairy products. Another item will be the $12,000 we are going to utilize to advertise honey and other products. We set up the amount for the purpose of having money available that can be utilized for that kind of work when it is necessary; and those who might be appointed to such positions, either in this country or in Britain, would be people associated with the promotion of those sales. Judging from the position, the person in Britain occupying it would be engaged in keeping records more than anything else; but this whole amount would not be paid to that individual. It is an amount we could use, if we desired, to put a person on the road in connection with the advertising of butter, for example, to offset the advertising of oleomargarine. We might put a person on the road for that purpose for a time without having to wait for an appointment under the civil service commission.

If I might give an example, last March we discovered that all over Canada there were stores that had no butter at all. They were selling margarine only. I assume the reason was that they were not fully informed as to what the government was prepared to do after April 1, when there was to be a reduction in the price of butter. They were making absolutely sure they would not have to take the five cent drop, so they had no butter at all in stock at the end of the month. That would have something to do with the size of the surplus we had to carry at the end of the year; and if it were desired to do so, under this item we could send persons out on the road for two or three weeks without waiting for appointments by the civil service commission, in order to correct such a situation.

Mr. Knowles: The minister has gone far beyond the narrow confines of the question I asked, and since he has done so I might make the comment that I have had complaints from some city people, whose incomes are such that they must buy margarine, and who have discovered that public money is being spent advertising butter. I realize that if I were to press that point we might get into quite an argument here, but the fact that there could be an argument indicates that there are two sides to the question, and I suggest there is that other side.

The particular point I raised had to do with this amount of $6,000. The minister tells me that although the details of the estimates indicate three temporary positions under this amount, at the moment only one position is set up under it. My question, then, is how long that person has held that position.

Mr. Gardiner: My information is that the person does not hold it now. That was why I said the position was set up. My information is that the particular position I am speaking of was established in 1949, that it was filled for a time, but that it is not filled at present, and the salary is $1,500, which is only one-quarter of the amount provided here. This is a sum of money which can be utilized if it is required, and if it is not required it is not used. I think there were years when we did not spend any of it.

Mr. Knowles: Then no person has held a position under this vote for a period of years, but it is a fact that the minister can appoint persons to this job or to these jobs without going to the civil service commission?

Mr. Gardiner: There has been no one on continuously, I am told. The particular person I have in mind occupied the position for a short time in 1949 and perhaps into 1950; I am not sure of the exact dates. I am told that prior to that other persons in Britain had been engaged for short periods, and there may have been a few in Canada as well. However, there are no continuous jobs in connection with it.

Mr. Knowles: But it is possible to make such appointments under the provisions of this vote without going through the civil service commission?

Mr. Gardiner: Not while I am in charge of the department, because that is not the purpose of the vote at all. Its purpose is merely to employ persons temporarily to do a job that has to be done so quickly that it is not possible to employ them through the civil service commission.

Mr. Fair: This item contains an amount of $91,078 for advertising, and so forth. I suggest to the minister that something be done to advertise butter a little more than it has been advertised. If my hon. friend from Winnipeg North Centre is going to bolster the case of margarine I think the people of Canada should be told the food value of margarine, and what they are doing to put themselves out of employment when they buy it. If that were done I think the hon.

member and others would keep very quiet and not try to increase the sale of margarine in this country.

Mr. Knowles: The farmers themselves are buying it.

Mr. Fair: It is not widely known that most of the ingredients going into margarine are imported into this country, and perhaps the people most interested in having those ingredients imported are making a little profit out of it on the side. Then not long ago at the other end of this building it was advocated that the eight per cent sales tax be removed from the ingredients being imported to manufacture this very poor food. Only yesterday in the Ottawa *Citizen* an article appeared under the heading "Production of butter drops; margarine up" and in it I find this:

> The bureau of statistics reported yesterday that production of creamery butter in May dropped from 31,987,000 pounds a year ago to 28,616,000. The total five-month output for 1950 was estimated at 78,791,000, a drop of more than 3,000,000 pounds from last year's January-May production of 81,865,000.
>
> Production of the butter substitute during May increased to 8,019,000 pounds from 7,190,000 last year, the bureau said. In the first five-month period of 1950, margarine output climbed to 42,922,000 pounds from 26,259,000 in the same period a year ago.
>
> A comparison of stocks on hand June 1 showed that holdings of butter are increasing, while margarine stocks are going down.

Something was said a moment ago about the farmers using margarine. I should like to direct a few words to the farmers who are cutting their own throats, and using their own knife to do it. By this time farmers should realize that they have an industry of their own which is well worth saving. The farmers should remember that they are helping out some of our big packers in the country who are importing the raw materials to make margarine. Instead of using butter, which could be made at home and is a better food product, our farmers are using margarine. I believe it is time for our farmer friends, and their friends in the cities and towns all across this country, to get busy and use our own homemade product, butter. They should leave margarine to the people who can and should use it in other countries.

Mr. Gardiner: May I put on the record the information that was requested earlier, and which I think should be given in order to correct any false impression that may go out from here. No apples were brought into Canada from Tasmania last year or this year. In 1949 apples were brought in from New Zealand, and these may have been the apples that were discussed, amounting to 32,210 boxes. So far in 1950 there have been 12,000 boxes imported from New Zealand and there is about one bushel to the box. I am informed that this figure covers all the apples that have come in from those places.

Mr. Ferguson: There seems to be a great deal of talk about the high cost of living and heavy taxation. On the other hand a great number of people have been agitating that we tell the farmers of this country how to produce a lot more milk with less effort, and more butter with less effort. These people are advocating the spending of a great deal of money to tell the farmers how to sell it. I want to say that more money should be spent in telling the farmers how to co-operate amongst themselves in putting forth their own publicity. They should be told how to organize properly so that the people will know the value of their products and will buy them.

I have advocated this in my own riding. I have told the farmers to get together and tell the world what they produce. I have suggested that they call meetings to see if they can get some constructive ideas, and that they should bring in marketing experts. I am sorry to say there has been little response to that suggestion. This has to be a two-way street. If the government is going to spend a lot of money helping the farmers—and I am sure the rest of the farmers in Canada are no different from those in my constituency—then those farmers have to pull their weight. They should try to see that taxes are cut, and that the price of food is lowered so that people can buy it. Nobody can buy their products today. There should be more people advocating more effort on the part of my friends the farmers. I have said this directly to the farmers. We can give these farmers too much. Soon they will be spoon-fed and cradle-rocked. They have to go along with the government, and try to reduce taxes and produce better results. They have to sell a greater quantity with more effort contributed by the farmer.

Now some members who represent purely rural constituencies are going to glower at me and say, "He should not talk that way; he will lose votes." I do not think I will lose many votes. I shall have the votes of better farmers and richer farmers if they will listen to reason, and get together to market their products. The finest apples in the world are produced in my county. There is no argument about that, because they won all the prizes. I have suggested to those men that they sell the apples in smaller cartons, so that a woman would not be asked to go out of a chain store with 105 apples under her arm; something she could not possibly do. At the

same time, she would have liked to buy ten apples. A woman living in an apartment cannot possibly consume 105 apples before they go bad. There is no place to keep them. Yet these men have gone on for years trying to force down the throats of the people large hampers of apples. Their attitude is: take them or leave them. For years I have advocated that the apples be packed in small cartons containing ten or eleven apples, so that a person could put it in a basket and take it home. The apples could be kept in the cold storage plants until needed, and packed in these small cartons.

Last fall the farmers were whining about whether they would get rid of their apples. I tasted Northern Spies from the cold storage plant at Thornbury not more than three weeks ago, and they were as fresh as when they were picked off the trees last fall. As a matter of fact they were improved. Last fall these men were trying to market them in barrels or hampers. A woman could not possibly take home a barrel or hamper and keep the apples without the proper refrigeration.

I do hope the government will do something to tell the farmers of Canada how they can start helping themselves to some extent. A large number of them do work together and sell their products intelligently, but there are still a large number who will not get on the bandwagon. They want to be outlaws; they want to cry and whine. They do cry and whine. May I suggest to the minister that, on the cheapest, unglossed paper, he tell the farmers in no uncertain terms about the lack of common-sense business methods used by the farmers in their selling. I hope that will be done. Then less of the general taxpayers' money will be spent in publishing "Five Ways to Cook Apples". I saw one pamphlet with that title, published by the department. If the people of Canada have to be told how to cook apples, I think they had better go without them.

Mr. Fair: I am afraid the member for Simcoe North is trying to push baskets of apples down the farmers' throats, and they are not going to stand for it. Apparently he is not aware of the fact that those who produce milk, cheese, and butter are spending large sums in advertising their products. Apparently he is not aware of the part the farmers have played in our economy ever since they began to work the land. He is not aware of the fact that no group of citizens in this country made greater sacrifices during the war years to the end that our own people as well as the people overseas might be fed. In spite of these facts, which he has not yet learned, he continues to put forth the gas he has been putting forth for the last few minutes.

Mr. Gour (Russell): Mr. Chairman, I do not think this is the place for hon. members to begin quarrelling about the farmers and saying things against them. I am the best person to advise my good friend who spoke a moment ago if he wants to know what the farmers of Canada are doing. If he can find more successful farmers than the Canadian farmers, I should like him to show me. I know enough about farmers and the job they are doing to know that they should not be criticized by any member. If the hon. member thinks the position of the farmer is better than the position of member of parliament, he ought to try it. He will soon find out. The farmers have no complaint against this federal government; they have only thanks for the best Minister of Agriculture we have ever had. Every dollar that has been spent to help the farmer of this country is money well spent. My riding is a little more urban than rural. I have to speak on behalf of both sections. We have not too much production. If our farmers lose money on their production we have to help them out. If they are losing money on the production of butter it is because of margarine. The labouring people of this country are sufficiently well off to eat good food. They should eat butter, subsidized by the government if it is necessary to sell it at a cheaper price. People should not eat that old margarine which is going to cost millions and millions of dollars because of its effect on butter production. It has been suggested that the less fortunate people have to eat margarine. Our people should all eat good butter and not margarine. I am not in favour of labourers being obliged to eat margarine. They should eat good butter. Excuse me; I resent what was said about the farmers, and I am glad to defend them.

Mr. Knowles: Tell the farmers to eat it, too. They are buying margarine.

Mr. Gour (Russell): The hon. member believes he is intelligent enough to tell everybody what he should do. Try to do your best yourself and do not try to tell everybody what to do. You are at the point where you will soon try to tell God what to do. Farmers are just as intelligent as you are, but they have not the same advantage of being here in the house to defend themselves.

Mr. Knowles: Don't worry, I eat butter in preference to margarine, but many people cannot afford it.

Mr. Gour (Russell): My hon. friend is always telling everybody what they should

do. I think we should thank God that we have farmers producing the best products. They are working. They are not talking. If the hon. member knows what the farmers are doing he should be ready to help them to a certain extent. I do not want to spend money unnecessarily but if the farmers lose their market they will not have any money to buy the produce of labour and labour will be out of work.

When there was unemployment last winter the hon. member for Winnipeg North Centre was one of those who talked the most about it. If the farmer cannot sell his produce at a profit he cannot buy the produce of labour and labour will be out of work. The labouring people should eat good butter.

Mr. Ferguson: I never suggested for one moment that nothing should be done toward helping the farmer. I simply suggested that additional aid be given him to instruct him how to help himself. At no time did I say anything against the farmer. My only suggestion was that advice be given him on how to market his production. There was no suggestion that they should eat margarine rather than butter. I have never eaten an ounce of margarine since it has been produced. I strongly advocate eating Canadian produced butter, and that the farmers be aided in every possible way. I also suggest that the farmers as a class be told how to help themselves. That is construction, not destruction or criticism of the farmer.

Mr. Anderson: I wonder if this committee knows that of all the money collected in Canada by taxation the farmer gets two cents out of every dollar. There has been a lot of criticism hurled at the farmer this afternoon about butter. I want the committee to know that if it does not rain, and rain very soon, in some parts of Ontario there will be a lot less butter produced than has been produced in the past. The farmers had a late season; they are short of hay; they are short of grain, and the grass is three weeks late now; in my own section of Norfolk county the pasture is very poor. Our milk production is going down, and I contend that it will go down still further. Before the year is out the price of butter and cheese will have to be increased because they are selling below the cost of production today.

Mr. Catherwood: Under this item there is one point I should like to mention, namely, the marketing of our poultry products. This is an item that is of great concern not only to the people of Ontario but to all the provinces in the Dominion of Canada as well. Last year we marketed something like 40 million dozen eggs in Great Britain. Today we have not that market. Our imports from Britain are now pretty well equal to our exports to Britain in dollar value. Can the minister make a statement with regard to the possibilities of the resumption of our British market for poultry and poultry products?

Mr. Gardiner: The same thing applies to this question as to the other products that we have been discussing, except that apples always were sold in Britain. Beef in quantities was sold to Britain. Bacon has been sold in Britain for many years, but prior to the war we sold very few eggs. We were selling a million dozen a year before the war. During the war we sold as high as 86 million dozen in a year. Recently Britain has said we had not been the main supplier before the war and they were not so much concerned about buying eggs from us. They refused to buy eggs from us. We are doing the best we can to overcome that difficulty and will get back into the British market as soon as we can, but so far as I know there is no hope of our getting back that market immediately.

Item agreed to.

Terminable services—

30. Freight assistance on western feed grains, $5,000,000.

Mr. Brooks: I notice that this item is for freight assistance on western feed grains. In 1949-50 the amount was $17 million. This year it is $5 million, a difference of $12 million. As the minister knows, we are greatly interested in eastern Canada in assistance on feed grains, especially in the maritimes, because to a great extent the success of our farmers depends on getting cheap feed for their hogs and their cattle. Do these figures mean that there is less feed grain for eastern Canada or that the government has decided to give less assistance in freight rates on feed grain to the eastern farmer?

Mr. Gardiner: No, it does not mean either. The amount of $5 million is the amount necessary to cover the cost down to the 31st day of July, because this is the way it has always been voted. The original vote has always been an amount to carry it through the crop year we are in. The year spoken of is the grain year which begins on August 1 and ends on July 31. I have proposed that there be $13 million in the supplementary estimates to cover the remainder. It has come down previously in two votes, one for the main vote and one for the supplementaries. That question is another which was discussed at the same time as the

previous question that I brought up with regard to hogs. It has been decided just today so that there was no possibility of making the announcement earlier.

This is not a vote which necessarily goes on from year to year. It is voted annually, and has been ever since the beginning. The origin of the vote is that the maritime provinces were very anxious to have part of their freight removed because of the high cost of getting feed from western Canada to the extreme east of the country. There was an agitation for that before the war started at all. We were considering the possibility of doing it in the maritimes. I think it was early in 1941 we decided to pay a quarter of the freight. Very shortly after that we brought in price control, in the latter part of 1941, and then we changed over from paying a portion of the freight to the paying of what we expected would be nearly all the freight in all of the eastern provinces and in the province of British Columbia. The freight is paid from Fort William to a location in the eastern part of Canada, and from Calgary and Edmonton into the province of British Columbia. This vote has been, as I say, renewed from year to year. We said a year ago, and I think the year before that, that it was the intention to have the whole question of discrimination in freight rates studied by a commission and a report made upon it. We have always called attention to the fact that this policy will probably be given fuller consideration when that report comes in. It will then be determined whether we are going on with the policy or whether we are going to have some other plan of equalization which will bring results. In any case what I wish to emphasize is that this is just a year to year vote. It is made in two amounts because we continue it until the end of the crop year. We have enough money to take us from April 1 to the end of the crop year, in the regular estimates, and then if we determine to go on for the complete crop year we put an amount in the supplementary estimates. That amount will be in the supplementaries this year.

Mr. Pearkes: Everything the minister has said about the maritime provinces will apply to British Columbia?

Mr. Gardiner: Yes.

Mr. Cardiff: How much of the freight allowance is paid on grain to central Ontario?

Mr. Gardiner: It is about $6 a ton. Does the hon. member want to have the total amount?

Mr. Cardiff: What is the total amount, and how much is paid by the government?

Mr. Gardiner: We pay about $6 a ton. The freight averages about $8.40, and we pay $6 at the present time. Some of the $8.40 is due to the fact that there have been recent increases in freight rates.

Mr. Charlton: That $8.40 is the all-rail freight, is it not?

Mr. Gardiner: The system by which it works out at $6 is that we pay the lake rate to the port. Then we pay the rate into the interior, which does not exceed $6 from Fort William, down.

Mr. Charlton: I understand the provision last year was a straight $5, regardless of where it went in Ontario. Then there was a change by P.C. 3803 so that there was a sliding scale applied with so much being paid to Owen Sound, so much to Goderich, so much to Port Colborne, to Sarnia and to Toronto. Would the minister give the rates for those various ports? Then they pay the rail freight from those ports, inland, to a maximum of $6 a ton, as I understand it. But there is nothing at all paid now for trucking.

Mr. Gardiner: That is approximately correct. Some time ago the rate was $4.50. Then later on it was $5.50, and now the maximum is $6. Georgian bay ports, Sarnia and Walkerville, it is $3.50, per ton; Port Colborne and Humberstone, $4.10 per ton; Toronto, $4.30; Kingston, $4.50 and Prescott, $4.65. Those are the rates. It is when no further rail haul is involved that that payment is made.

Mr. Charlton: But on top of that they pay up to $6?

Mr. Gardiner: Yes, on water shipments from Fort William or Port Arthur to ports designated in paragraph (b), when distribution is made to inland destinations by rail, payment shall be made on the basis of the amount payable at each port plus the actual rail freight charges to destinations within the Montreal freight rate zone, but not to exceed $6 per ton. And when the destination is beyond the Montreal freight rate zone payments shall be made on the same basis as is designated in paragraph (a) of the order. Paragraph (a) says that on any rail shipments from Fort William, Port Arthur and Armstrong the payment shall be the sum of $6 per ton when the destination is within the Montreal freight rate zone, and the sum of $6 per ton plus the remainder of the actual through carlot rail freight charges to destinations beyond the Montreal freight rate zone, actual carlot freight rate charges not to exceed $6 per ton to destinations in northern Ontario to which the local freight rate is less than the Montreal zone freight rate.

In other words, it works out at what my hon. friend says.

Mr. Charlton: Prior to the time the order in council was passed, feed companies on the lakes were getting the same subsidy as those inland. I understand in some cases it was away above the actual amount of the freight paid. Now, with order in council P.C. 3803, a feed company located forty or fifty miles from a lake port either has to load the grain on a car and take it in by rail, or be content not to receive any compensation whatsoever if they bring it in forty or fifty miles by truck.

Mr. Gardiner: That is right.

Mr. Bater: Does this freight assistance on western feed grains apply to feeders in British Columbia as well as those in the east?

Mr. Gardiner: Yes.

Mr. Kickham: May I take it from what the minister said in reply to the hon. member for Royal that the freight assistance measure will be carried on after July 31 this year?

Mr. Gardiner: Yes, for this crop year. I am referring to the crop year we are about to enter at August 1.

Mr. Fair: What quantity of grain has been shipped to the east each year since the freight assistance was brought into effect, and what subsidies have been advanced? Would the minister give similar information with respect to British Columbia?

Mr. Gardiner: The statement I have here shows the quantities on which freight assistance has been paid in respect of grain and feed shipped during each crop year, August 1 to July 31. Does the hon. member wish to have all the crop years, or just some of them? He would not wish me to read this whole book?

Mr. Fair: Just the crop years since the freight assistance policy has been in effect. Perhaps if the minister does not wish to read it, it might be placed on *Hansard*.

Mr. Gardiner: It begins in 1941, and the information is given for every year.

Mr. Fair: Give us the grand totals.

Mr. Gardiner: Perhaps the information for the last year would be satisfactory. It will be noted in these figures that the freight in respect of Quebec is approximately $2 million more on a million less tons. That of course is because of the greater distance.

[Mr. Gardiner.]

These are the figures showing the total tonnage and the total amounts of money paid out in freight assistance:

	Tons	Amount
Ontario	10,732,578	$50,463,111.61
Quebec	9,254,362	52,298,293.60
New Brunswick	1,105,545	8,675,844.65
Nova Scotia	1,289,466	11,007,743.40
Prince Edward Island	368,209	3,174,603.85
British Columbia	2,163,350	13,889,738.49
Newfoundland (from April 1, 1949 to date)	13,934	280,237.38

Taking the figures of last year the average rate per ton was as follows:

Ontario	$ 4.62
Quebec	7.61
New Brunswick	10.30
Nova Scotia	11.20
Prince Edward Island	11.20
British Columbia	6.42
Newfoundland	20.11

Mr. Fair: Do those figures bring it fairly well up to date?

Mr. Gardiner: To May 31, 1950.

Mr. Ross (Souris): Has the minister the total?

Mr. Gardiner: The total tonnage is 24,927,445 and the total amount is $139,789,572.98.

Mr. Ross (Souris): The minister was going to give the names of the firms and the amounts paid in 1948-49.

Mr. Gardiner: I tabled that to be added to the order for return.

Mr. White (Middlesex East): One of the greatest objections to this assistance comes from those who are located at points not accessible to the railroad and which are serviced by truck. They do not get the benefit of this assistance and I was wondering if there was any way that could be given?

Mr. Gardiner: It is hardly correct to say that they do not get the benefit because most of the freight is paid from Fort William to the point of distribution. It is assumed that from there on the individual will bear his own cost.

Mr. Bater: If a dealer brings down a carload of grain is there any way of seeing that this assistance is passed on to the feeder?

Mr. Gardiner: He must produce his vouchers or invoice to indicate that it was paid to the producer.

Item agreed to.

Terminable services—

32. Dairy products board, $22,000.

Mr. Charlton: Could the minister tell us the quantity of butter of the 1949 production that the government is carrying, and also of the 1950 production?

Mr. Gardiner: I have not the information at hand in that form, but I will give the hon. member what I have. The purchases of 1949 butter amounted to 48,600,000 pounds; the sales down to June 10, 1950, were 37,900,000 pounds, leaving a balance of 10,700,000 pounds. Butter purchased in 1950 down to April 30 at 58 cents per pound amounted to 5 million pounds; butter purchased from May 1 to June 10 at the 53 cent level, 4,225,000 pounds, or a total of 9,225,000 pounds.

Mr. Charlton: You still have the 10,700,000 pounds of the 1949 butter?

Mr. Gardiner: Yes, but there is only 7,700,000 more in store than at the same date in 1949.

Item agreed to.

Terminable services—

33. Meat board, including quality premiums on A and B1 grade hog carcasses, $5,854,633.

Mr. McLure: I should like to direct the attention of the minister as I did last year to the fact that hog raising in Prince Edward Island is still ahead of all the provinces in Canada for quality. I have the hog grading results given in the monthly market review which show the following results for March:

	per cent
Prince Edward Island	53·3
Nova Scotia	45·1
New Brunswick	40
Quebec	32·2
Ontario	38·1
Manitoba	25
Saskatchewan	29
Alberta	28·3
British Columbia	26

No one knows better than the minister the quality of Prince Edward Island hogs and I hope he will see that the grading of hogs in other countries is brought up by the purchase of the proper stock.

Item agreed to.

Terminable services—

34. Special products board, $11,575.

Mr. White (Middlesex East): How much cheese has been sent to Great Britain so far? How much cheese has been requisitioned? How were the details worked out between the eastern Ontario producers of cheese and the producers in western Ontario?

Mr. Gardiner: The amount of cheese purchased in 1949 for the ministry of food was 50·1 million pounds. As you will recall, the British contract for that year was for 50 million pounds, and we delivered it. Then we bought another 20·7 million pounds after we had filled the contract for which we paid the same price. The total was 70·8 million pounds for last year. We shipped to the ministry of food 50·1 million and sold to the trade 7·2 million, a total of 57·3 million. The balance on hand as of June 10, 1950, was 13·5 million. I do not think that exactly answers the question asked as to the requisition of cheese now. I do not think that has proceeded far enough to mean very much to us at present. As near as I can give the figures, this is the situation. The agricultural prices support board had no cheese as of June, 1949. Others had 29,454,000 pounds, or a total of 29,454,000. At the first of June this year the agricultural prices support board had 14,400,000 pounds and others had 22,610,000, making a total of 37,010,000 pounds. In other words, there are about seven and a half million pounds more in Canada this year than there were at this time last year. As of June 10, 1950, the position had changed to the extent that the agricultural prices support board had 13,500,000 pounds, or almost a million pounds less than we had at the first of the month.

Mr. White (Middlesex East): How much has been sent to Great Britain under this year's contract?

Mr. Gardiner: About 8 million pounds have been sent up to date.

Mr. White (Middlesex East): What about arrangements between eastern and western Ontario producers so far as the requisitioning of cheese is concerned?

Mr. Gardiner: We are requisitioning all of it. I am not sure of the make as between the two.

Mr. White (Middlesex East): It was going to work to the disadvantage of the western Ontario producer.

Mr. Gardiner: We are trying to see that it does not.

Mr. Charlton: You are just requisitioning 90 pound cheddars, are you not?

Mr. Gardiner: We are requisitioning all cheddar cheese, but we are only sending that particular type of cheese to Great Britain. We utilize the other in taking care of the requirements of processors and others in the trade in Canada. The arrangements we have with the trade is that we turn back to them as much cheese as they used last year in their processing of fresh cheese, and they utilize it along with the old cheese.

Item agreed to.

Special—

35. To provide for assistance to encourage the improvement of cheese and cheese factories, $1,400,000.

Mr. Tustin: I notice that the item has been reduced by $300,000 this year. There is a reduction of $100,000 in the amount for the improvement of factories, and a reduction of $200,000 in the quality bonus for cheese. Why has there been a reduction? Is it the opinion of the government that we are going to have less first quality cheese produced this year or does the government think that we are going to have less cheese produced on the whole this year than we had last year?

Mr. Gardiner: The answer to the first part of the question is that we are more or less catching up on the factories that require adjustments in order to bring them up to standard. Therefore there is less money required for that purpose. As to the other point, it is only an estimate of what we are going to spend. It is a statutory amount, and if there is not sufficient here we will have to supply it. I presume it has been cut down from time to time because of the actual expenditures in preceding years.

Mr. Tustin: It is actually $200,000 below what it was last year.

Mr. Gardiner: Below the estimate.

Mr. Tustin: Below the estimate for last year. Can the minister tell us how much was paid last year for quality subsidies?

Mr. Gardiner: The amount paid in 1949 was $905,791.91. As a rule it runs around a million dollars.

Mr. Tustin: Have you separate figures for 94 score and 93 score?

Mr. Gardiner: I have them in pounds. There are 41,740,029 pounds of 93 score, and 24,419,581 of 94 score. Of course there is one cent for 93 score and two cents for 94.

Item agreed to.

Special—

36. To provide assistance for the replacement of maple production equipment, $500,000.

Mr. Lennard: We again have this item, and I should like to ask the minister when it is going to end. An item to replace maple production equipment has appeared in the estimates in various amounts for the past fifteen years. As I said last year, if this goes on much longer we will be replacing the replacements. It seems ridiculous to me. If the equipment was not right and did not measure up to qualifications fifteen years ago it should have been replaced in a period of five years at the most, and that should have been the end of it so far as the province is concerned that has taken advantage of this subsidy. It has run along for fifteen years with no apparent relief from it. I should like to know from the minister when it is going to end, and how much of this amount was spent last year.

Mr. Gardiner: In the first place it is not fifteen years. The first payment was made in 1940-41, which is ten years ago.

Mr. Lennard: Was it not started late in 1938 or in 1939?

Mr. Gardiner: The policy was adopted at that time.

Mr. Lennard: Even earlier than that.

Mr. Gardiner: No, it could not have been much earlier. It was after I came here, and that is fifteen years ago. Therefore it is not quite fifteen years. In any event, the first payment was made in 1940-41. The expenditure that year was $106,198.41. Probably I should first remind the committee of the purpose of the expenditure. It was found that maple sugar and syrup which were being produced in the province of Quebec were being produced in equipment which had been lead-covered to avoid rust. When this was checked in the United States it was condemned because it contained some lead. They were going to refuse to take it, but we persuaded them to accept it for the purpose of sweetening tobacco for cigarettes, and it was accepted for that purpose. Then we agreed with the province of Quebec that we would pay one-third of the cost of replacing this equipment, Quebec would pay one-third and the farmer would pay one-third. We started replacing the equipment in 1940-41, and it is being replaced I think largely by aluminum.

As the figure indicates, we were at it only a short time before we had to stop. In other words, we could expend up to $300,000 a year, but we spent only $106,000 that year, which indicates that we had to stop early in the war. In 1941-42 we spent only $12,000; in 1945-46 we spent $87,784 and in 1946-47, the first year after the war, we got it up to $194,271.49. So I would point out that it took us four years to spend what we had intended to spend in one year. There was only one reason for that; aluminum was being used for war purposes, and we could not get it. So the utensils were not changed during that period. We started again as soon as possible after the war was over, and in the next year we spent $203,000. The following year for the first time we got above the amount we had undertaken to spend in the beginning, and spent $360,000. Last year we spent $471,000, and this year we have put $500,000 in the estimates. As to

when we will be through with this undertaking, I am not absolutely certain. It is being administered by the Quebec government, and we are paying our share.

Mr. Charlton: Can the minister tell us the total amount spent so far?

Mr. Gardiner: $1,879,528.28.

Mr. Lesage: May I ask the hon. member for Wentworth if he is outlining the Progressive Conservative policy when he objects to this item?

Mr. Lennard: Smart aleck!

Mr. Lesage: That is what you are. You object to it because it is for the province of Quebec. We know you.

Mr. Charlton: Almost $2 million has been spent so far, which is one-third of the total amount?

Mr. Gardiner: That is right.

Mr. White (Middlesex East): The minister said a small amount of lead was supposed to have been found in the syrup that went to the United States, and that is why it was found necessary to undertake this program. If that syrup was not good enough for the Americans, surely it was not good enough for Canadians either. If you are going to make this program applicable in Quebec, let us have it right across the country. I bought new maple syrup equipment this year, but I did not get any assistance. I know of many others in my county who would be glad to take advantage of this. If we are going to have that unity in this country that we talk about, let us do things fairly and squarely, across the board, or not at all.

The Chairman: Shall the item carry?

Mr. White (Middlesex East): No; I want to hear what the minister has to say about it.

Mr. Gardiner: I do not know of any way of correcting that situation unless you get a new government in Ontario.

Item agreed to.

Special—

38. For assistance in construction of potato warehouses under regulations to be approved by the governor in council, $100,000.

Mr. Brooks: Where are these potato warehouses being constructed, and what assistance has been given each province in connection with their construction?

Mr. Gardiner: There are eight warehouses under construction in Prince Edward Island, of which I believe only one or two are completed. We have not been billed for any of them yet, so we have not much information about them. This is another of those arrangements between the province and ourselves. We do not pay until we are billed, and we have not been billed. I understand one in Saskatchewan has been paid for, at a cost of $12,654.62. I believe it went up in 1949-50.

Mr. Brooks: Are there any in New Brunswick?

Mr. Gardiner: Inquiries have been received from British Columbia, Alberta, Manitoba, Ontario, New Brunswick and Newfoundland with regard to the application of the order in council, but no construction has been commenced.

Mr. Brooks: Why has there been so much construction in Prince Edward Island and none in New Brunswick? I am not outlining Progressive Conservative policy, nor am I criticizing Prince Edward Island, but I should like to know the reason for it.

Mr. Gardiner: The policy was first advocated by Prince Edward Island. They came here and presented the case, and we accepted the plan. It has been taken up by other provinces as well, but they have not got as far along with it as Prince Edward Island.

Mr. McLure: As I understand it the only outright grant the committee in charge of the construction of a warehouse may expect is the 37½ per cent from the federal government. I understand that does not have to be paid back, but that the grant of 37½ per cent from the provincial government must be paid back, while the remaining 25 per cent must be raised by the committee. I am glad the other hon. member for Queens is here; he knows all about these warehouses. As a matter of fact I believe he or his friends have built half a dozen of them, and he knows the cost of construction. The point on which I should like information is this. What grant is given the committee in charge of one of these warehouses? As I understand it, in the one case the 37½ per cent is a grant, while in the other case it is a loan.

Mr. Gardiner: My understanding is that when the proposal was first made by the government of Prince Edward Island they suggested that the farmers put up 25 per cent and the two governments split the other 75 per cent equally, which would be 37½ per cent each. We proceeded on that basis, and I think one or two warehouses were built. Then the provincial government decided it wanted to collect its 37½ per cent. We sort of suggested that we had just as good reason to collect our 37½ per cent if they were going to collect theirs, and the

result of the discussion was that they decided to collect 37½ per cent and we would get half of what they collected. So the present position as I understand it is that the grant amounts to 37½ per cent. Then the farmers must raise 25 per cent themselves, and the other 37½ per cent must be paid back.

Mr. McLure: And that grant is shared equally by the provincial and federal governments?

Mr. Gardiner: Yes.

Item agreed to.

Special—

39. Prairie Farm Rehabilitation Act and water storage, $3,750,000.

Mr. Studer: Mr. Chairman, in the national interest I believe that, on an item of such magnitude as the Prairie Farm Rehabilitation Act, any member who is in a position to offer any suggestions whereby some of this expenditure may be eliminated in the future in connection with this item as well as the Prairie Farm Assistance Act should endeavour to make whatever contribution he can. I should like to state briefly what I have to say because I do not wish to prolong the session. From my observations most of the time has been taken by the opposition, so I would ask them please to bear with me for a few minutes in order that I may put the conditions at home before this house.

I have been existing, and I repeat "existing", in the constituency of Maple Creek for thirty-three years. Many of those years have been spent in scanning the horizon in the hope that it would rain. Most of the people living in that area have been doing the same thing. As a consequence it is my duty, as the member representing that district, to say a word in connection with the rehabilitation of those people. It is not my intention to repeat what the Prairie Farm Rehabilitation Act has already accomplished in connection with the building of thousands of small irrigation projects and small dams in that area. I know they number in the thousands. Community pastures number nearly a hundred. Then there has been the moving of the people and the regrassing that has taken place in that area under this item. I believe that if a member can suggest anything that might possibly hasten the process of rehabilitation of these people he should certainly do so.

The Prairie Farm Rehabilitation Act was established to correct in the future the mistakes of the past. This act, or its counterpart, has been in existence in some part of the world ever since the beginning of time, because it is part and parcel of agriculture. It is only history that tells us whether agriculture is feasible in any area. If after the people are settled in an area for a period of time it is determined the soil is not suitable for agriculture, then the rehabilitation of those people has to take place. We have heard much about the floods in Winnipeg and the other disasters that have happened in this country. I do not know of a greater disaster that can happen to people than that those people should live in an area for a lifetime and not be in a position to earn their living. They then find that they will have to leave that area in which they have laboured so long and begin life anew in some other area; that is what the Prairie Farm Rehabilitation Act proposed to do and has done for many people in that area. If it is to be done, the sooner the better.

For many days we have been talking about areas in the central part of Canada that have had too much water. As everyone knows, the area of which I am speaking has too little water. The problem this presents is too great for the individual, so society, through this government, comes to the assistance of the individual. Mr. Chairman, we wish to hasten the process of alleviating suffering in that area. Again this spring in the municipalities surrounding my home over 510,000 bushels of seed grain had to be supplied to these people. Vegetables were shipped into some parts of the area during last fall to enable the people to live through the winter. This means that under the P.F.A.A. the people are not receiving sufficient to keep themselves for a year. The cost of living today is entirely different from the cost ten years ago, yet today the maximum amount obtainable under the P.F.A.A. is exactly the same as it was ten years ago. I have heard it stated that some of the farmers in the drought area are living and farming for P.F.A.A. benefits. I would make it clear that there is not one farmer in that area doing that because to operate the average farm it costs between $2,500 and $4,000. The maximum amount any farmer can receive in one year under the Prairie Farm Assistance Act is $500. One can imagine, therefore, what would happen in that area over a period of years, if anyone was farming for P.F.A.A. alone.

In the area of which I am speaking there is a rainfall of from twelve to fourteen inches. The situation is entirely different from what it is in other areas such as Ottawa, where I understand the rainfall is between twenty and thirty inches. Under the Prairie Farm Rehabilitation Act, through the co-operation of the federal and provincial governments, methods have been devised whereby the people may

be able to live there in the future and make their living. I am saying that because I wish to leave this committee with the idea that the money which has been spent thus far in dealing with the matter has been well spent. I wish to tell the committee that the larger the appropriations are under the Prairie Farm Rehabilitation Act, the smaller the appropriations are going to be under the Prairie Farm Assistance Act in the future. It is that ideal towards which we are striving. We want to enable every farming community throughout the length and breadth of Canada to stand on its own feet. Then, crop failure assistance will not be necessary. The farmers living in those areas, wherever they may be, would be able to take their place along with the rest of the people of Canada, and make their contribution to the country as a whole.

In these areas we have the triple S system of farming, that is the summer-fallow system. It means that we have to allow the land to rest one year to accumulate moisture so that we will have enough moisture for the next year. We have to have two years' moisture to grow one crop. Under this system we have to summer-fallow the grass also. We have not been doing so well at that, and last year the grass did not come up on my farm at all. As I say, we have to summer-fallow the grass so that our stock will have something to fall back upon. We have to summer-fallow the water because we have about 6,000 small irrigation projects. I am not speaking of the larger ones because even at the best, with all the larger irrigation projects one hears about, only about one-tenth of the land can be irrigated. What are we going to do with the rest of it? The altitude of my farm is about 2,880 feet, and that is about 900 feet higher than the average land in Saskatchewan. How is water going to be forced up to that land? As I have said, in spite of these large irrigation projects, only about one-tenth of the land can be irrigated.

We are interested in knowing how these farmers can assist themselves in places where the land cannot be irrigated, and cannot be looked after by means of this summer-fallow system. I suppose it will have to be done by impounding the water on a small scale on the various farms. This will mean that if one dam is built and that fills with water, you will have to build another one because there will be some years when the first dam will not be filled with water. You have to summer-fallow water as well as everything else. On that basis it will mean larger farms. We have heard in this committee that it takes from forty to fifty acres of pasture to sustain an animal, and that is possibly true. As the Minister of Agriculture pointed out, sometimes cattle can subsist on a smaller number of acres in other areas so our farms will have to be larger to make them self-sustaining. In that case I suppose some of our people will want to move to other areas.

I do not want to be too long, Mr. Chairman, but I do want to say that in my opinion not enough attention has been paid to grasses. Any member of this house who has had anything to do with agriculture can identify wheat, oats, barley, rye and flax plants if I hold them in my hand, but how many could identify the plants of five of the native grasses? I do not suppose anyone could name those five native grasses; at least I know I could not. This fact was brought forcibly to my attention by one of the scientific men at the Swift Current experimental farm whose name was Heinricks, and it has stayed with me because I believe it is more important in the general agricultural picture throughout the world than we realize. We should realize that it is grass that keeps the earth in place. I think more money could properly be expended in a scientific inquiry to determine what improvements could be made in these various grasses. Grass is the only possible crop in so many of our areas.

I would like to point out, Mr. Chairman, that some of the townships in the western part of Saskatchewan, the southwestern part, and in Alberta have been receiving crop failure payments for ten years. If the past is any indication of the future it would appear to me, and to many others, that possibly for the next ten years these same lands will receive the same amount of money in crop failure payments. Therefore if these 44 townships over the past ten years have received $5,000 it would mean that this government, or the government of Canada, if history repeats itself, will have to pay the same lands that same amount of money, namely, $5,000 in the next ten-year period, or in the next fifteen or twenty-year period, whatever the case may be. It is well known that history always repeats itself.

I understand that there are thousands of applications from people who want to move to other areas where they may make a living and absolve themselves from this unhappiness that has been going on there for years. The land where these people are to move on is not available at the present time. We hear members of parliament and others suggest that there are hundreds of acres here, there and elsewhere that they would like people to move to. But you cannot take people who are fifty and sixty years old and who have worked all their life and put them in a bush area that is not cleared, and where they have to start all over again to make

their living. You have to provide some other means for them. Therefore I was wondering whether we could not change the basis of movement and bring in a voluntary movement. By that I mean instead of the government undertaking to move them it could be done in this way. Let us assume that in the 44 townships I have mentioned we are going to have to pay $5,000 a farm for the next ten years. Why not make the $5,000 available to those people in one lump sum? If that were done I am sure they would find a place to move to and make themselves self-sustaining on their own, without any additional assistance. They would find a place somewhere in this country of ours to which they could go, and not have to go where the government would have to place them. If that system were inaugurated they could go voluntarily.

The reason these people are not moving is that they have not enough money to move. It takes money to move. They have to depend on the government assisting them. If this were made voluntary they could move on their own and the government would not be spending any more money. I am sure it would relieve the situation to some extent, a situation which is going to be aggravated if there is another extensive crop failure this year, if means were provided whereby they could move voluntarily and make their own living.

Mr. Wylie: I was wondering what item we are on? Are we discussing the Prairie Farm Assistance Act?

The Chairman: Item 39.

Mr. Gardiner: Prairie Farm Rehabilitation Act.

Mr. Studer: It involves the whole thing. You cannot separate one from the other. One causes the other. You have to take causes and effects. If we did not have the one the other would not be there at all.

I suggest that possibly this could be done. A system could be devised whereby these people could go on their own. They would be much happier and the government would save money, and no doubt the general situation would be better.

There is one other point I should like to mention. In most of these places out there where dams and dugouts have been built a lot of the soil is light. The dams and dugouts hold the water for a short period of time in the spring and then the water seeps away. I would suggest that a considerable appropriation be permitted under this item for a scientific investigation to provide means whereby the water can be retarded in its seepage by an ingredient that could be placed in the water. I suggest that something like what is done in road building be carried out. I suggest that something be devised that would prevent the water from leaking out of these dams. During the war the scientific men could provide almost anything for any purpose that was necessary. I believe that if a determined effort were made and a sufficient appropriation given for determining ingredients for the retarding of the seepage of water, a means to that end could be devised.

If something could be done to keep the water where it is originally impounded in the spring it would be a great help to those people who stay there, and they would be able at least to provide water for their gardens and their small irrigation projects, and that would at least make it possible for them to stay there.

This is all the time that I would dare ask the chairman to give me at this time. We base it all on the assumption that in the future in that area of ours we are going to develop a system through P.F.R.A. whereby the people can make their own living and be happy along with the other people in Canada.

That means the summer-fallow system that I have outlined, the scientific sealing of dams, the economic unit of farms and ranches, contour farming, which is being practised in this country at the present time, and all in all to bring about a system and a policy whereby these people, working along with the other people of Canada, will make their contribution, which is the effort and the desire of all of us.

Mr. Hansell: I very largely agree with the remarks that have been made by the hon. member for Maple Creek, although much that he has said has been said very often in the house over the past number of years. In connection with this particular item, prairie farm rehabilitation and water storage, I notice that the amount of the vote is $3,750,000. When we turn to the explanatory note on page 96 we find that $1,346,000 of this amount is for small projects. That is rather a big item without any further explanation. I was just wondering whether the minister could give us a break-down of the $1,346,000 for small projects. Would it be possible for us to get the break-down say of all these small projects that would cost about $20,000? If it is handy, can he give it to us, or would it take time?

Mr. Ross (Souris): Before the minister replies I should like to add a question or two and he can reply to them all together, or would the hon. member sooner have his answers right now?

Mr. Hansell: That is all right, but I have one or two other questions.

Mr. Ross (Souris): I want to endorse a great deal of what has been said by the hon. member for Maple Creek as well, and to agree that it has often been said in the past years. It is quite a problem out there. It involves the lives and happiness of a great many people in that particular part of the country.

Following what the hon. member for Macleod has just said, I have checked the increase. There is an increase of $750,000 over last year's vote. In checking it over on the pages where it is broken down I find that $630,000 is for community pastures, reserves and grazing areas, and about $105,000 is for large irrigation and water storage.

When the minister is replying to the hon. member for Macleod will he tell us where these community pastures and grazing areas are to be located, and where the irrigation projects are to be undertaken?

Mr. Gardiner: To answer the hon. member for Macleod, I think he will realize that to give a break-down of the individual projects would be almost impossible when I read him the figures. To begin with, none of them costs $20,000. Most of the projects cost $125, so far as we are concerned. There are 4,718 small projects. That is the number of dugouts. The total number of the different types is 5,246, some of them being for small irrigation purposes and some of them for other purposes.

The financial assistance paid in 1949-50 on these small projects numbering 5,246 was $626,836.87. The total number, to begin with, is 43,042, and the total amount expended is $4,810,824.91. It will be seen from that that the amount is very small. These dugouts we assist in digging on farmers' lands are either dug by the farmers themselves or the municipality brings in equipment to dig them and we pay four and a half cents a yard on the earth moved. The remainder of the cost is paid by the farmer himself in most if not in all cases. So, to break it down, it would take in 43,000 farms in the three western provinces. That, of course, would be a very considerable list.

Mr. Hansell: The answer is more or less what I expected. I have wondered if there appears in these projects what is known as Beauvais dam near Pincher Creek. That is the reason I looked up the explanation and details of the item. I could not find anything there to indicate the various projects in which one might be interested. I understand that we cannot ask the minister to put on record the information in respect of four or five thousand projects.

However I understand this particular one is estimated at about $25,000. Is that project to be proceeded with this year? I have worked on this matter for a good many years. I remember first taking it up with the government before the war. If my memory serves me correctly I mentioned it first in 1937, because it was a project which would not only assist the farmers in that area but would raise Beauvais lake high enough to provide a reserve of water for the town of Pincher Creek. I even took it up with the government in those days on the basis of proceeding with it as a public works relief scheme. However we made no headway at that time.

The war came along and many of these projects were left for the time being. Men and machinery were not available. Now the war is over and some of these projects have come under review. Is it expected that this one will be proceeded with this year?

Mr. Gardiner: The Beauvais project is under investigation at the present time, and is listed among those we hope to get started this year. However that does not guarantee that we will get started. We have it listed and the money set aside for it. If we get the final report and are in a position to proceed, in all probability it will be proceeded with. I understand it is a combination of irrigation and water for Pincher Creek. The intention is to proceed with it in due course, but we cannot be certain if it will go on this year.

Mr. Hansell: I hope it may be proceeded with, because when the minister was out west a few months ago the report was circulated, on the basis of his visit, that it would be proceeded with this year, and that the work would commence in the spring. We are now beginning to leave spring behind and summer is upon us. If these things are not started earlier in the year they generally are not completed before the work season is over. The people's hopes have been raised through the minister's visit. I hope they will not be dashed to pieces on the rocks of disappointment. I have recently received further communications asking if it would be possible to have the project completed this year. That is why I was particularly anxious to have the minister's definite pronouncement upon it.

For the purposes of the record, and so that the country may know, would the minister tell us the procedure followed when a small project is desired. I am not referring to a small pothole, but one similar to the type I have mentioned, involving some $20,000 or $30,000. What is the process by which one eventually realizes a project? I would understand that the government must first be approached. From there on, what happens?

Mr. Gardiner: What happens is pretty much what is happening in connection with the project to which the hon. member has referred. The engineers have been there since the spring. That is the beginning of any construction. As has been said, first an application is made. Then we send men there to make a survey of the possibilities. They go and look the country over. They may or they may not be engineers. Then they will decide whether the plan is feasible. Once we decide a project should be proceeded with we call in the engineers so that they may go over it, check the whole area and give us estimates as to costs and other related matters. Then, as a rule, we have soil surveys to indicate whether water can be put on it successfully. We ascertain the necessity for drainage, and all that kind of thing. We do not say definitely that we will proceed with any project until all that work is done. If that work reveals that it is a project which will be helpful to the community, we then proceed with it.

So far as this particular project is concerned, I believe it is drawing to the point where the report will be made by the engineers as to the possibilities of the whole plan. Reports to date are favourable. I think probably the plan will be proceeded with. In the beginning the engineers must discover whether there are any conditions which make it impossible to carry out the plan—either soil conditions or conditions of other kinds. Then, where it is a matter of irrigation, it must be decided whether we can provide the water.

All those different questions enter into the matter. I might say that I have here a type of project which perhaps is similar. We deal with it by watersheds. The South Cypress watershed of Saskatchewan is in much the same classification and is not far removed from the district mentioned. These projects are as follows:

Adams Lake	$ 8,831
Eastend	161,000
Valmarie	214,000
Valmarie west	150,000
Richardson-McKinnon	53,900
Consul-Vidora	56,500
Middle creek	18,663
Spangler project	4,950
Cypress storage	467,691

That is the large lake that is really the source of the Missouri river. That group is located in the southwest corner of Saskatchewan and just across from where it is anticipated this other work will be done. Then there are works in the North Cypress watershed—Maple Creek, Swift Current and North Herbert extension ranging from $14,000 up to $350,000.

The Wood river is another watershed which is being covered with smaller projects, and then there is the Qu'Appelle watershed with projects ranging from $4,000 up to $83,000. There are other irrigation projects covering a considerable area and numbering 20 or 25.

Mr. Hansell: I did not ask my last question just for my own information because I have not been sitting here for 15 years without getting to know this procedure. I thought it would be well if hon. members knew what the procedure was. Just one more question and I shall be through. I asked that a return be brought down covering this project six weeks ago, and I inquired about this ten days ago and asked the minister if he would facilitate it. I want to familiarize myself with what is going on backstage. Sometimes when we want information we have to dig it up and I wonder if the minister would see that that return is brought down before we close?

Mr. Gardiner: It came to my desk for the first time this morning but as my estimates have been on ever since I have not had a chance to read it carefully. I read part of it and that is why I know something about this matter. I am afraid that when I do read it all there will be some things which will have to be considered a matter of privilege and would require to be taken out because there are reports from one official in the department to another.

Mr. Ross (Souris): I asked the minister if he could tell us where this $530,000 additional is to be spent on community pastures and reserve grazing areas and where the $100,000 additional is to be spent on large irrigation projects.

Mr. Gardiner: I am not too sure that the plan under which this vote is handled is fully understood, although I know it is understood by the hon. member for Souris, who has been associated with it for a long time. In view of the criticism that has been offered in committee meetings and elsewhere I think perhaps I should say something with regard to it. Ever since this vote has appeared in the estimates suggestions have been made that it should be broken down like other votes, but we have always objected on the ground that we are dealing with a problem which depends largely on weather conditions and which must be carried out in an area where you can operate only from five to six months in the year. Two or three months might be lost if you had to wait for a decision as to the transfer of money or anything of that kind and we might end up this summer with very little being done.

We have always insisted that this should be a single vote, and this year it is for $3,750,000. It is only one vote; it is not half a dozen votes or a dozen votes. If I were to read off a list of the pastures we are going to build this summer we might have to stick to that list. If someone were to read in the paper tomorrow that we intend to build a certain pasture, he would consider that that was going to be done.

In connection with these pastures you must decide first to build them. There may be a dozen people living in the area and you may have to move them off. There may be no difficulty, but then again you may have one or two obstreperous people saying, "if you are going to move us off, you move us." That takes a little longer and the result may be that the pasture would not be built this year.

These pastures are scattered pretty well all over the area. There are 232,000 acres and they are spread pretty well all over the western section of Saskatchewan. In some cases pastures that we already have are being enlarged, but there are a few new ones, one being in Manitoba.

I would be pleased to let the hon. member see this but I would hesitate to have this list appear in the newspapers for the reasons I have given.

Mr. Ross (Souris): There is a breakdown on page 96. For instance, an amount of $891,380 is shown for community pastures as compared with $361,400 last year. Is that amount allocated for that definite purpose?

Mr. Gardiner: No. We have insisted that it should not be, but the treasury board and the comptroller of the treasury asked us to make an estimate of what we think we are going to do. We do make that estimate so that there will be some guide, but it is not a vote. The vote is in the form of a lump sum; there are not votes for wages, and other items.

Mr. Ross (Souris): I agree with the minister's statement that it is one vote and I know how it operates, but why is this breakdown shown?

Mr. Gardiner: We have no control over the writing of this document. The treasury board, the comptroller of the treasury and others having to do with these matters have suggested that we estimate what we intend to do and then they put in the breakdown. We are not bound by that as we can go to treasury board and get these things changed.

If we were voting that amount separately we would be tied to the vote and would not be able to change the money from one thing to another during the season. That is just our idea of how the money is going to be divided up. We stick pretty closely to it but there are occasions when we must ask them in midseason to change money from one to the other and we always get that done.

Mr. Ferrie: I want to say how pleased we are in our part of the country to have the P.F.R.A. So far as the land is concerned it is good soil and will hold water. In past years there was plenty of surface water but as the years have gone by we have had to go farther and farther north to find such a condition. The northern part of my constituency used to be well supplied with all kinds of water but the water level has dropped, and today the people have to dig dugouts. These small projects are dugouts 65 feet wide, 175 feet long and 12 feet deep involving the removal of 2,500 square yards of earth in their construction. The water there is sufficient to cover an acre to a depth of a foot. The water is gathered in the dugout mostly in the spring of the year, is stored there, and generally there is enough rain to keep it up to that level. It provides water all summer and all winter for the people, and enables them to keep stock in that part of the country that otherwise would not be there. They would have to get rid of them.

It is not a grain growing country. It is bush, but for some reason the water level has gone down over a period of years. In one part of my constituency they are drawing water a distance of twenty miles, and they are not in a P.F.R.A. area. I should like to ask the minister to try to extend the area covered by P.F.R.A. farther north so that these people can receive some assistance and retain their stock. The assistance is only small but it helps the farmer to co-operate with the man who has the heavy machinery necessary to dig the dugout.

The people in the area are on small homesteads of a quarter or half section. A lot of the land has bush on it. Some of the people only have 25, 30, 40 or 50 acres of land broken, but they have to have water for their stock. I would ask the minister to do something about moving the line farther north so that these people can receive the benefits of the P.F.R.A. I am not going to take any more time. I have a 16-page speech that I had intended to deliver on the subject of P.F.R.A. In our municipality we have 600 dugouts, and I will not rest until we have one on every quarter-section in the municipality. If there is any salvation for such a community it is water. When you have water you have a certain amount of protection from insects. Birds will remain in the region if you have bush and water, but if

you have no water the birds will leave. They attack all kinds of insects that destroy crops. If you do not have birds where you grow grain sooner or later you will suffer from the attacks of insects, because that is what happens in the long run. Over a period of years it has happened all over the world. Where you do not have birds you have poor crops because insects ultimately come along and devour them.

I want to say a few words about crop conditions in that part of the country, conditions that may come some day to the people of eastern Canada. I heard one man say today that they needed rain in this part of the country, and if they did not get rain they would soon be in a pretty bad condition. That is often the case in western Canada, and it was for that reason that P.F.R.A. was started. I should like to say that instead of the item being $3 million it should be $30 million. It should be available to help all the people of Canada, and the sooner we start to develop Canada in that spirit the better it will be for us. The farmer is the foundation of the country. He is the one who provides food for the people of Canada to eat, and the amount that the people of Canada spend on him is very small.

Mr. Harrison: I should like to say a word about prairie farm rehabilitation. Unlike the hon. member for Maple Creek I am not so much interested in rehabilitation as I am in the small projects mentioned by the hon. member for Mackenzie. When the P.F.R.A. legislation was introduced in the west in the first place, and in Saskatchewan, in which I am particularly interested, it was brought in to cover what was then the dry part of the prairie provinces. As the hon. member for Mackenzie has said, the dry area has extended somewhat farther north. In the constituency I represent it now affects the southern part of my riding to a depth of 50 to 100 miles. The top 250 to 300 miles has a good supply of water but the bottom 50 to 100 miles is getting fairly short. The water table in the latter region has dropped some 20 or 25 feet, and it is beginning to affect the people who are raising livestock. We are not in the same position as people farther south in Saskatchewan who raise grain entirely, and who are in a serious plight if they do not have a crop. As long as we have some feed and water, there is always plenty of livestock to keep the people in good shape financially.

The point I want to make is that the money spent on these small dams is not something that is poured into the west and never comes back to the east. So long as these people are able to raise livestock they are always in good financial condition and are able to buy the products of the east. I want to bring this point to the attention of hon. members because sometimes it appears from all these votes for P.F.R.A. that we are pouring money into a pail with a hole in the bottom. So far as small projects are concerned in an area of that kind, that is definitely not the case because livestock constitute the insurance policy of these people. The expenditure on these small dams only amounts to about $150 each, but when each farmer has water he knows that his stock are going to be taken care of, and that he will not have to get rid of them on short notice.

Practically every municipality in an area of some 50 to 100 miles in the southern portion of my riding has brought it to my attention that they are in need of assistance under the P.F.R.A. in the form of small water projects. We have never had such assistance in any part of my riding, but the time has now arrived when we feel it should be extended to cover an area 50 to 100 miles farther north than is now the case. It varies from east to west according to whether you are on the east side or the west. As you go farther west it extends farther north. It would have to extend possibly 50 miles farther north on the east side and 100 miles farther north on the west side in order to be effective. It is not my intention to delay the committee, but I thought this matter should be brought to the attention of the government. I know the minister is quite conversant with this situation, but many hon. members who are being asked to vote on the proposition as to whether this area should be extended are not acquainted with the facts. I am making these comments in order to present the point of view of the people of that area, and to assure the committee that we are not asking for something that will not be returned tenfold.

In conclusion I would like the minister, if he would be so kind, to tell us what he thinks we may expect in the future with respect to the extension of this area, and how soon we may expect it. I know my people in Meadow Lake will be greatly interested.

Mr. Fair: Before the minister replies, I should like to join with the hon. member who has just spoken in asking that the area be extended further north. Many of the people in the northern part of my constituency are not able to come under this plan, and I have had several requests that something be done along this line.

Mr. Gardiner: I think I explained earlier in the session that two bills we had intimated would be brought down this year would not be brought down until next session. One of

those bills is based upon P.F.R.A. in the west; the other is based upon the marshlands operations in the maritimes. The one is based upon the need to procure and conserve water; the other is based upon the need to control water. It has been said here from time to time that we should extend P.F.R.A. right across Canada. Well, that would be difficult, because after all that has to do with prairie farm rehabilitation and has particular application to irrigation, stock watering dams and dugouts such as have been described by the last few speakers. On the other hand a considerable portion of the work in which this government might assist in eastern Canada would be in connection with rescuing land from the ocean, as is done in the maritimes by means of dikes. The same thing probably would be necessary at certain points along the St. Lawrence river, and even at other points around the great lakes.

Another activity which might be undertaken is the development of the black marshes in eastern Canada. There are such marshes on many farms in Ontario. I remember there was one on the farm my grandfather homesteaded when he came to Canada a hundred years ago. That black marsh is still there, and I remember that we used to spend our Sunday afternoons going down and pulling livestock out of that bog. Mr. Hepburn, who used to be premier of Ontario, has developed one of these black marshes on his own farm; that is where he grows the onions we hear so much about. It is one of the best producing areas in Ontario, requiring the work of as many as sixty men in the summer months, though a few years ago it was more or less of an eyesore on his farm. His cattle and horses used to get bogged down there, too; but he drained that swamp. As a result he has one of the finest fire fighting systems I have ever seen on a farm. The water is piped into his buildings, and then is taken below his place where it feeds one of the finest lakes I have ever seen. He does not have to go somewhere else in Ontario to find a summer resort; he has one just outside his door. That sort of thing on a farm makes farming really worth while, and there are black marshes like that all over eastern Canada, particularly in Ontario, which can be developed into highly productive areas.

We think work of that kind could be assisted from Ottawa over the years to come. So the legislation we intend to bring down next session will include two bills, one of which will provide for an extension of the work in the west while the other will deal with work in the east. I think I can say both those bills will be brought down next session.

Mr. Fulton: I remember that three or four years ago the minister told us it was his desire to do just what he has described now; that is, bring down two bills, one of which would extend the P.F.R.A. in eastern Canada and the other which would extend P.F.R.A. in the west. Then there was a compromise, for reasons which I do not think were clearly stated, and the minister outlined another program. Under that program, if the provinces put forward specific projects for reclamation or irrigation, the dominion government would consider them and would be prepared to make a contribution toward the cost if the projects were approved. I understood that program was to go on for five years, and I do not believe the five years have expired.

Mr. Gardiner: I am afraid my hon. friend has not quite followed that through, probably because it was not made too clear. These bills I am speaking of were actually drafted four or five years ago but were dropped at that time because of the difficulties experienced at the dominion-provincial conference. They have stood aside ever since, and I am saying they will probably come down next session because we hope those difficulties will be overcome in September and we will be able to get along with the job. The larger projects we have with the provinces are the large irrigation schemes in the west, and that is something quite different. We are working on those with the staffs of the P.F.R.A. assisting, because there are engineering staffs suitable for that work. As hon. members can see, the two votes are separated in these estimates, and they have always been kept separate. They are different types of projects.

Mr. Fulton: At the present time P.F.R.A. does not operate in British Columbia on a wide scale; the only things done are these special projects to which the minister has referred. One of them is at Lillooet lake, and I think it was started even before 1945. The other project at Kelowna, and one or two others in the dry belt in the interior, were not commenced until after the minister made his announcement as to the general principle that would be applied, which I think was in 1947. That principle was that the province would bring forward a project; the dominion authorities would review it and, if they approved, would contribute to the cost. It is under that scheme that these things are being done; and, as the minister says, they are separate votes. Under the new legislation the minister has mentioned, will the operation of the prairie farm rehabilitation administration extend to the whole of western Canada, or will we still have to deal with these individual small projects? In other words, will the P.F.R.A. administration be

permitted then to engage in large scale irrigation undertakings in British Columbia on the same basis that it is now engaging in such undertakings on the larger rivers in the prairie provinces?

Mr. Gardiner: The projects on the prairies are being undertaken in much the same way as those under vote No. 38 and vote No. 42. Those are the two votes that were put in the estimates first about 1947. They were put in deliberately, because we were not then in a position to proceed with the legislation I have mentioned. We thought these works ought to be moved along, and that in the meantime we should get some experience in handling them; and we have had considerable experience. These votes I think will be brought under the new legislation, but it is sometimes thought that in this work we are doing on the prairie we just go out there and do the work; that is not true. In connection with these dugouts we only pay 4½ cents per yard for the removal of the earth. It often costs three times that to move the earth, and the farmer pays it himself.

In other cases where we have put in water for irrigation, as for example the Swift Current project, the provincial government actually promotes the irrigation of the land, that is the utilization of the water, and the farmers themselves pay a considerable part of the cost. Practically all we do is put in a dam, and then put in a ditch to distribute the water to surrounding points. From that point it is taken up by the provincial government and by the farmers, just in the same way as we started in the Pemberton valley in British Columbia. The first project we had there we started because it was a returned soldier settlement. I was taken out there and looked at it, and I thought it was one of the finest valleys I had seen and could be made habitable. It was being flooded every spring, and these returned men were practically being put off their land. The government did spend a considerable amount of money there, and spent it directly, in order to determine whether anything could be done. We wanted to get to a point where we knew it could be done. We knew the province had land there and if it could be taken care of an arrangement might be made. We entered into an arrangement with the province whereby we paid one-third, the province paid one-third, and the farmers paid one-third. We feel that this administration will have been improved by the time the bill is brought down, and we can bring all that under this legislation.

[Mr. Fulton.]

Mr. Fulton: When the minister is out in that area this summer looking at the drainage project, there is another project near Lillooet which I should like to have the opportunity of showing him so he can consider it.

Item agreed to.

Special—

40. Major irrigation and water conservation projects in the prairie provinces, $7,719,500.

Mr. Thatcher: On this particular item will the minister state the amount of money, if any, which is included for the south Saskatchewan irrigation project? I wonder if he could bring the house up to date on the present status of this project, and whether or not construction is going to start this year. If it is not going to start this year, perhaps he would give the reasons.

Mr. Gardiner: The south Saskatchewan project is at the point now where I can discuss the matter with the province. I hope to make an appointment to see them at the end of next week. I am going out there to attend a function which has something to do with the south Saskatchewan, so I hope to discuss the matter with the provincial representatives at that time. We are in a position to make suggestions and recommendations, but we want to have a discussion with the province before we proceed further.

Mr. Thatcher: Will the minister state whether there is any amount in these figures for the south Saskatchewan?

Mr. Gardiner: There is a million dollars.

Mr. Thatcher: Is that for survey work or construction?

Mr. Gardiner: It is for the completion of the survey work. No matter what discussions we have, I do not expect it will be possible to actually get the construction work started this season. There is some work to be done there which will not take more than the amount in these estimates, but even if we decided definitely to proceed this fall, a decision of that kind cannot be arrived at until this work that has to be done is completed. That will take until October and by that time, even if the decision were favourable, there could not be any more money spent this year.

Mr. Quelch: In this vote there is an item of $995,750 for surveys and engineering costs on major irrigation and reclamation projects, including the Red Deer diversion. Can the minister give any idea when the surveys on that project will be complete?

Mr. Gardiner: I believe we can complete any surveys that need to be made in order to

arrive at the position where we can make a final decision this year with this amount of money. I do not think it will be necessary—

Mr. Quelch: What do you mean by "final decision"? Is that a final decision as to whether or not you will go ahead with the project?

Mr. Gardiner: Yes, we have to have the same kind of discussion as we had about the St. Mary. We are not going to start on a project and discuss it for four years afterwards. If we start this one it will be after we have had a discussion, the same as we are doing with the south Saskatchewan. I am not blaming anyone, but in order to meet a situation which developed during wartime whereby we had to put water in reservoirs if we were going to claim it as against our United States friends, we proceeded without having a full discussion about it. I think both sides realize it is better to have this discussion before we start, and I hope we will have the discussion with the Alberta government this fall and get the matter settled so we can proceed or do whatever we are going to do.

Mr. Wylie: I should like to ask a question about this item. Quite recently an agreement was signed between the dominion government and the provincial government in connection with the St.Mary-Milk river project. In view of the fact that this is considered a master agreement, could the minister give the committee some of the details of that agreement, that is how the arrangements are to be made between the two governments?

Mr. Gardiner: The arrangements are completed between the two governments, and we are covering all the costs from the Waterton storage, which is near the United States boundary, until we come to the Ridge storage, which is just outside the areas that are to be irrigated. Now all the costs of this part of the project are to be borne by the dominion government without any cost to the province at all, but from that point on the province is responsible for all the costs. According to the estimates, that means we will be paying a little more than half the cost, and the province will take care of the remainder. We have not attempted to say that the province must pay it. They can suit themselves as to whether they pay it or charge it back to the farmer, but in any case they have undertaken to be responsible for having the work done.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 270, for the relief of Joseph Lucien Andre Bergeron.—Mr. Winkler.

Bill No. 271, for the relief of Thelma Leggo Chicoine.—Mr. Winkler.

Bill No. 272, for the relief of Anna Kathleen Olga McCone Shaw.—Mr. Winkler.

Bill No. 273, for the relief of Martin Luke Marlow.—Mr. Winkler.

Bill No. 274, for the relief of Helena Wilhelmina Thornburg Lawton.—Mr. Winkler.

Bill No. 275, for the relief of Bonnie Ruth McNab Sarrasin.—Mr. Winkler.

Bill No. 276, for the relief of Lyndia Betsy Mayes Bernier.—Mr. Winkler.

Bill No. 277, for the relief of Sarah Modlinsky Markis.—Mr. Winkler.

Bill No. 278, for the relief of Anna Patiris Sarakinis.—Mr. Winkler.

Bill No. 279, for the relief of Julia Ann Ramsell Blane.—Mr. Winkler.

Bill No. 280, for the relief of Cyrile-Orance-Horence Presseau.—Mr. Winkler.

Bill No. 281, for the relief of Paul Edmond Meerte.—Mr. Winkler.

Bill No. 282, for the relief of Charles George Storey.—Mr. Winkler.

Bill No. 283, for the relief of Mary Muriel Inez Larman Jarry.—Mr. Winkler.

Bill No. 284, for the relief of Mary Zilda Alix Runcie.—Mr. Winkler.

Bill No. 285, for the relief of Aili Esteri Kankaanpaa Toebben.—Mr. Winkler.

Bill No. 286, for the relief of Pierre Bouchard.—Mr. Winkler.

Bill No. 287, for the relief of William Aubrey Ricardo Aird.—Mr. Winkler.

Bill No. 288, for the relief of Marguerite Carmen Samson Wrigglesworth.—Mr. Winkler.

Bill No. 289, for the relief of Andrew Cerat.—Mr. Winkler.

Bill No. 290, for the relief of Marie Lucille Giselle Roy Veilleux.—Mr. Winkler.

Bill No. 291, for the relief of Mabel Pearl Speirs Lazor.—Mr. Winkler.

Bill No. 292, for the relief of Lena Grace Connolly Hibberd.—Mr. Winkler.

Bill No. 293, for the relief of Lilian Ferguson Gardner.—Mr. Winkler.

Bill No. 294, for the relief of Marion Leonard Ryan.—Mr. Winkler.

Bill No. 295, for the relief of Joseph Georges Neville Poirier.—Mr. Winkler.

Bill No. 296, for the relief of Marie Gisele St. Laurent Therrien.—Mr. Winkler.

Bill No. 297, for the relief of Norah Nichol Meighen Allan.—Mr. Winkler.

Bill No. 298, for the relief of Dora Eleanor Chalmers Grisley.—Mr. Winkler.

Bill No. 299, for the relief of Ruth Desiree Morrissette Chevalier.—Mr. Winkler.

Bill No. 300, for the relief of Richard Martello Johnston.—Mr. Winkler.

Bill No. 301, for the relief of Ernest Beliveau.—Mr. Winkler.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Gagnon: On division.

Mr. Speaker: Carried on division.

Motion agreed to on division, and bills read the second time.

WESTCOAST TRANSMISSION COMPANY

AMENDMENT OF ACT OF INCORPORATION, TO STRIKE OUT "OR OUTSIDE CANADA"

On the order:

Second reading of Bill No. 131, to amend an act to incorporate Westcoast Transmission Company Limited—Mr. Sinnott.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I ask that this bill be dropped.

Mr. Speaker: Has the hon. member leave to have this bill withdrawn?

Some hon. Members: Agreed.

Bill withdrawn and order discharged.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

The house resumed from Friday, May 26, consideration of the motion of Mr. Knowles for the second reading of Bill No. 13, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

Mr. Speaker: If the hon. member for Winnipeg North Centre speaks now he will close the debate.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, for the second time I am availing myself of my right, as a free man and as a representative of a Quebec constituency, to discuss a divorce bill. Indeed, whatever aspects it may deal with, it still is a divorce bill.

The hon. member would like to have referred to the exchequer court those bills that are now being dealt with by the Senate. Even if such a measure did in effect tend to rid us of a disgraceful list of bills submitted for our approval periodically, we cannot agree with him. Nor can we agree with his claims that reference of those divorce bills to the exchequer court would not set up, in so far as Quebec and Newfoundland are concerned, a divorce court. On the contrary, I believe it would set up such a court for Quebec and Newfoundland. My hon. friend from Newfoundland has explained the situation very well when he gave the reasons why they had not agreed to this change proposed by the hon. member for Winnipeg North Centre (Mr. Knowles).

I have here an article written by a Quebec Jesuit, Reverend Father Louis C. de Léry, an expert on such matters. He mentions several reasons why Quebec opposes any change in the present procedure. Father de Léry states:

> Quebec has never recognized divorce. When our ancestors came to this country over three centuries ago, they had their own religion and their own laws, which recognized the indissolubility of marriage. This indissoluble character was recognized by the organic law of 1774. In 1865, the union parliament sanctioned in Lower Canada the use of our civil code, recently consolidated. Section 185 of that code asserts the indissoluble character of the marriage ties. Again, according to the British North America Act (1867) the provinces have exclusive legislative authority in the matter of civil rights. Those rights are contained in our civil code.

In transferring the authority in the matter of divorce to the exchequer court, we would infringe upon provincial autonomy, because the provinces have exclusive rights to legislate in that field.

> The constitution of 1867 therefore sanctioned our civil code, and in section 185, recognized the indissolubility of marriage as law of the province.

To those who claim that regard for the minority groups of the province of Quebec and of Newfoundland entitles them to divorce courts, I reply that the establishment of such courts in the province of Quebec would affect not only minorities but everyone else.

According to the Act of 1867, the dominion parliament is empowered to legislate with reference to marriage and divorce while the provinces have the exclusive right to pass legislation concerning marriage within their respective provincial sphere and to organize provincial and federal courts dealing with divorce. However, by entrusting any court with the duty of hearing divorce cases, the federal parliament would violate the indissolubility of marriage recognized in our province.

As is pointed out by Father de Léry, we have, for the past three hundred years,

believed in the indissolubility of the marriage ties. This conviction does not stem from bigotry or narrow-mindedness; we hold it because, knowing marriage to be indissoluble. we refuse to open the door to those who would strike at our democratic institution by weakening the family, the foundation of our national and social structure.

Other attempts have already been made in this direction, in order to make it easier to obtain a divorce. If the bill introduced by the hon. member from Winnipeg North Centre were to pass, divorce would, of course, be much easier, since this would be a general act that applied to all. However, I am of the opinion that we cannot pass it without changing the British North America Act.

I have here a quotation from a speech delivered in this house on March 24, 1944, by the present Prime Minister (Mr. St. Laurent). The quotation reads as follows:

> In Quebec not only is there no jurisdiction to deal with divorce, but there is a pre-confederation law, which was continued in force by the British North America Act, and which will remain in force until this parliament chooses to deal with it, as it has jurisdiction to do under section 91 of the British North America Act. This pre-confederation law declares that marriage is dissolved only by the natural death of one of the spouses. No matter what jurisdiction you set up, so long as that is the law of the province, no divorce could be granted by any court.

Consequently, if we were to pass the bill introduced by our hon. friend from Winnipeg North Centre, we would be obliged to set up an entirely new general law which would grant those provinces that are opposed to divorce, Quebec and Newfoundland, greater facilities to that end. Such a law would provide changes not approved by everybody and would therefore create new problems from the constitutional point of view, in regard to the rights enjoyed by the provinces and the federal government.

Another minister of justice, the Hon. Charles Doherty, stated in 1916:

> The parties come here asking for it, just as they come with other private bills when they want to get something that the general law of the country does not give them. And it is precisely because the general law of the country says: once you are married you cannot marry again while your consort is alive, that when one wants to be relieved of the operation of that general law, he comes to the parliament of Canada and asks for a law for himself.

Then, if the power to grant divorce was taken away from the Senate, we would commit the very mistake to which the minister of justice, the Hon. Mr. Doherty, was referring. On the subject of our belief in the indissolubility of marriage, the Right Hon. Mr. St. Laurent said on March 24, 1944:

> There are applications for legislation which come before this parliament, and where divorces are enacted. This is not a matter of right; no one has any right to a parliamentary divorce. That is a special legislative grant that is made under special circumstances revealed by the investigation carried on before a committee.

And to those who ask: "What about the minority?" we would answer:

> Courts cannot be set up only for those who feel they might use them. To set up a divorce court for Quebec would in effect give to the people of the province the right to apply to it. If a court exists, anyone who feels he has been wronged may apply to such court for relief. Setting up a court would be tantamount to recognition of divorce.

So that, if it were passed, the hon. member's bill would in effect set up a new court for the province of Quebec and Newfoundland, and divorce would thereby be recognized. For this reason, we from the province of Quebec are opposed to the passage of this bill.

In making it easier to secure divorce we can only fall into a kind of exaggeration that has distressed other countries and in respect of which I have given figures.

You may say that we have not yet reached a point where divorce is granted with excessive liberality, but I do believe that such a stage would necessarily be reached if we go at it step by step. If we don't resist the manoeuvres and the requests of those who seek to make divorce easier, we will make a step forward today and another one tomorrow. But I don't believe that this is intended by the hon. member for Winnipeg North Centre. What he wants is merely to free the Senate and the House of Commons from all those divorce bills. I understand his intentions. However, he will never reach his objective. On the contrary, he will lead us into another mess and we will never be able to get out of it, because he cannot understand our way of thinking in Quebec or the way of thinking in the new province of Newfoundland. I have already quoted figures on juvenile delinquency in a country where divorce is free.

I was quoting the example of Russia. I am aware that by referring divorces cases to the exchequer court the provinces would still retain the right to legislate in the matter of forsaken children. I think that children should not be left in the care of parents who are so little concerned about their duty.

Soviet Russia gave much freedom in the matter of divorce. In fact, even Lenin's wife realized one day that thousands and thousands of children,—I believe there were millions,—roamed about after being forsaken by their divorced parents. Of course, they were roaming about the streets of Moscow and other

cities in Soviet Russia, stealing, attacking and even killing passers-by to such an extent that when the so-called popular commissaries in Russia realized the situation they were compelled to introduce restrictions and to amend the divorce laws and even the laws concerning abortion.

In addition, they had to enact a very restrictive law and to inflict upon these vagrant children severe penalties in order to eliminate this public menace. They had to turn back. They had embarked on a very costly experiment. They had to depart from too easy divorces and come back to normal.

When I stated in this house that this experiment could be used by the Russians against the democracies, I believe I was perfectly right. When the family is broken by divorce, it becomes an easy prey to communism, which thus creeps into our democratic community.

As a result of that experience, there is no doubt that communists, knowing where the weaknesses are and how they can best spread their doctrines, will try to impress upon our modern democracies that there can be no harm in facilitating divorce.

Those who are caught in the trap are surely not aware how greatly the stability of the family can strengthen the whole democratic structure.

Quebec's position in the matter of divorce is sufficiently clear and firm, I believe. Therefore, those that wish to help that province or seem to think that dissolution of the marriage ties should be facilitated, will know exactly where we stand in this connection, since our position has been clearly defined.

Here is an article taken from the Toronto *Daily Star* of June 12, 1950. I shall read it all, because I think it is excellent. It deals with an opinion expressed by communist Russia on the matter of divorces imposed upon foreigners who marry Russian women.

(Text):

I hope I will not be out of order if I quote an article from the Toronto *Daily Star* which shows what can happen if we do not take the necessary precautions to prevent an increase in the dissolution of marriage or against the providing of additional facilities for the obtaining of divorce. This article which supports the argument I have expounded in French reads:

[Mr. Gauthier (Portneuf).]

The nullification in England by the appeal court of a marriage in Russia between a British citizen and a Russian woman serves as a reminder that the soviet union, although she professes to be above racial discrimination and to have respect for human rights and personality, possesses the narrowest and cruelest policy in the world with respect to marriage and emigration.

The soviet forbids marriage between her citizens and foreigners. In that respect she is in a class by herself. Worse still, she refuses to permit the Russian wives of peoples of other nationalities to leave soviet territory.

In 1947 when a Canadian bacteriologist who had been in the Canadian legation at Moscow as military attaché sought to bring his Russian wife to America, he having been transferred to Detroit, the soviet government refused to let her go.

Vyshinsky, now Russian foreign minister, explained that this was no indication of racial prejudice on the part of the soviet union; that it was "the duty of a Russian woman to produce soviet children, not children for the Canadian government." He also said, and this was nearer the true explanation: "Women talk too much and give the wrong impression of the soviet union."

As I have stated already in my brief remarks in French, they realize the weaknesses in their system of dissolving marriages because they know that that in turn breaks up the basic family cell. The article continues:

It is believed that more than 800 persons who claim United States citizenship have been denied permission to leave Russia. In addition, 350 Russian women who married western soldiers or diplomats have been held by their homeland. During the past 17 years only 50 women who wished to stay with their American husbands were permitted to leave. At least 15 British husbands have tried in vain to get their Russian wives out of the soviet union. Many hardships, much distress of mind and broken marriages have resulted.

I realize that in quoting that article I am not entirely in order and I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for not having raised a point of order about it. I realize that he is sincere in introducing this bill, and while it may not provide additional facilities for the obtaining of divorce it does create a new court for divorce in Quebec, the exchequer court.

Mr. Knowles: But I think the hon. member will admit that the bill does not provide any new facility for divorce to the people of Quebec and Newfoundland?

Mr. Gauthier (Portneuf): In taking the power to grant divorces from the Senate and giving it to the exchequer court the law of Quebec is being changed. You are instituting a new court of justice for divorce in that province and that is why we oppose it.

Mr. Knowles: But no new facilities are being provided.

Mr. Gauthier (Portneuf): I just stated that in French and I am glad my hon. friend understood me so well.

Mr. Knowles: Merci.

Mr. Gauthier (Portneuf): Just to show how far this can go, just to show how it has reached the point where it can be referred to as a national disgrace, I should like to quote from another article in the Toronto *Daily Star* of May 2, 1950, as follows:

> Riverside, California, May 2—If she follows her schedule, Mrs. George W. Ettinger soon will divorce for the fourth time a husband who has spent 18 of his last 22 years in various prisons.
>
> Ettinger, 37, is headed for San Quentin today after being convicted on bad cheque charges.
>
> Probation officers told the court yesterday that each time he has gone to prison, his wife has divorced him and married someone else. But upon Ettinger's release, she always has shed her interim husband to remarry him.

That is the kind of record they are creating in the United States and I would not like to see Canadian parents give their children a similar example. That is why we always oppose additional facilities for the obtaining of divorce. I am sure also that my hon. friends from Newfoundland would not want to change their present procedure.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I believe my position with regard to a bill of this kind is well known because I have spoken on this subject in this house before. However, I feel that I would not be doing justice to the people I represent if I did not say something about it. I think I understand the motive that actuated the hon. member for Winnipeg North Centre (Mr. Knowles) when he introduced this bill. I am sure he did it with the best of intentions. Hon. members may not be familiar with the proviso in the bill that when an application for divorce is made to the exchequer court the court may decline to grant it when it is satisfied that the petitioner or the plaintiff has committed either adultery or acts of cruelty toward his spouse. I think the chief motive actuating the sponsor of the bill was to rid parliament, and especially the House of Commons, of the embarrassment that comes to it so frequently during a session when a large group of divorce bills is brought before it and we are faced with saying yes or no to granting the dissolution of these marriages. I think there is a great division of opinion among hon. members as to what should be done about divorce. So far as I am concerned, I regard marriage as indissoluble. Once it has been properly formed it is indissoluble. I think hon. members are fairly familiar with the arguments advanced by Catholics as to the only grounds upon which annulment may be granted.

As has been explained, there is of course a distinction between annulment and divorce; annulment applies where no proper valid marriage has taken place. Divorce occurs when there has been a valid marriage, and parliament, by a right which it assumes to itself, intervenes and says that the valid marriage shall no longer be a valid marriage because one of the parties thereto has violated his agreement.

We are all prepared to recognize that marriage is a very solemn event in anyone's life. It should be very carefully considered before being entered into, and it seems to me in many cases that come before the courts the trouble between the parties has arisen because they married too hastily. I have read some of the evidence in the cases that have come before us, and I find that the people did not know each other properly before they went through the marriage ceremony. Again, when they have been married and have lived together some trouble has arisen. Sometimes you will read evidence where one party has left the other and never gone back, and the other party has made no effort at reconciliation. Nobody has intervened to try to bring about a reconciliation.

Therefore I say all hon. members are faced with the question of how we regard marriage. I am a little astonished that the sponsor of the bill, who I believe is a clergyman in private life, should be the one to introduce a measure of this kind even though it has as its purpose the sending of divorce cases to the exchequer court. If we regard the marriage contract, as the words of the ceremony put it, "for better or for worse, for richer or for poorer until death do us part," I cannot understand how anyone can reasonably argue that such a contract can be dissolved even by parliament.

One must regard marriage as a sacred thing. It was instituted by Our Lord himself. We are Christians, and therefore we ought not to interfere with it. There have been cases where marriages have gone on the rocks and people have been forced to live apart, but is it not better that they should live apart than that they should bring about a condition of society that might mean its ruin? I suppose the Roman state was the greatest state the world has ever seen. Rome was mistress of the world without a rival for hundreds of years. The material, literary, artistic and architectural accomplishments of Rome have not been equalled by any other

state. We may build greater things but I doubt whether we have built the better things, things that after 2,000 years will still win the admiration of those who will be alive at that time as the art and architecture of Greece and Rome still win our admiration. Yet that society, strong as it was, was destroyed.

It seems to me we are making all kinds of provisions for the material happiness of people. We are providing family allowances to help families overcome the difficulties that they encounter. We are providing for their old age, and in spite of all these material advantages that people have today we find that many of them are not a bit happier, that some marriages are not being observed in the way that they should be, and that divorce is becoming more frequent.

In the debate that took place on the motion introduced by the hon. member for Spadina (Mr. Croll) during the first part of the session I pointed out—and I think he recognized—that divorce has been increasing, and until the last year or so was increasing at a very rapid rate. It was not a question of two or three extra a year but two or three hundred. In the space of fifty years or so the number of persons seeking divorce has risen from almost zero into thousands. At the beginning of the century there were very few people applying for divorce, and in some of the provinces there were none. Therefore when you provide more methods by which divorces can be granted and make it easier to secure a divorce you are going to have more divorces. That was the purpose of the hon. member's motion and he was good enough to withdraw it.

I think we all agree that, in addition to material benefits to the family, we would like to see spiritual benefits as well. We would like to see families happier and marriages more enduring. Therefore we have to consider what the purpose of marriage is. It is not only the procreation of children but also the spiritual attachment that exists and the spiritual benefits that come to each of the spouses when they have gone through the marriage ceremony. There is a complementary and natural relation between husband and wife, wife and husband, and parents and children, so that in a normal family there should be children. There will be continuity of the tradition of goodness and a way of living passed on from parent to child. When we have divorce the continuity is broken, and from our own experience we know many families where that has taken place and the children have become more than orphans. When parents marry again we get even greater complications. That may not seem to be very serious at the present time because the number of divorces granted in Canada only reaches about 6,000 or 7,000 a year, but in the United States, the number is seven times as great today in proportion to population as it is in Canada. We can feel confident that the rate of divorce is going to increase in Canada as well.

I think the time has come for us to realize that we must face the question of whether we are going to permit divorce in Canada, and not only the question of whether we are going to make it more convenient by having divorces dealt with by the exchequer court. Are we going to abandon that system? Is every hon. member really satisfied that divorce is a good thing in itself? I do not suppose many people in this house really think it is a good thing; they are happy in their married life and would like to see their children happy in the same way. I do not suppose many of them would care to see their children suffer the public scandal and unhappiness that so often follow divorce. I suggest, therefore, that we should see that our young people take greater care in the selection of a partner before marriage, and that if difficulties arise afterwards provision should be made for counsel and advice to help overcome those difficulties. I have already mentioned the fact that many times I have seen people who never wanted to speak to each other again, but who, after a little time had elapsed and as a result of good advice, became reconciled and lived happily together again.

In my opinion it is not possible for two people to live together and always be happy. They are bound to have difficulties; but with the proper attitude they will be given the necessary strength to overcome them.

When Admiral Byrd was going to the south pole he refused to take a companion with him because he said it would be only a short time before they would be quarrelling. He spent six months in isolation rather than have a companion because he appreciated the problems that would arise. When a husband and wife have trouble of that kind there are ways of overcoming it. At the university of Notre Dame there is a priest, Father O'Brien, who was once called by a family where a terrible dispute was going on. He found that the cause was nothing really serious, and at that time made a resolution that from then on every time he performed the marriage ceremony he would make the parties promise never to say an angry word to each other. For thirty-five years he carried out that resolve. After the wedding ceremony was over he would take the parties aside and make each promise the other never to say an angry word. I know that is a very hard promise to keep, but he says it has worked.

In my view divorce is one of the great evils of our times. What we should do is try to build up a good family life and family solidarity, as the last speaker said. I believe we would be better occupied if we spent our time looking for ways to improve the conditions of family life, perhaps on a higher plane than has been the case in the past. There is no doubt that family allowances and old age pensions have removed some of the economic causes that led to divorce, and have helped families to get along better. In my view there are other things that would also help, and I believe we would be better occupied if we spend our time considering them instead of considering ways of making divorce easier.

As far as my province is concerned, we have not asked for this legislation. As a matter of fact, in the constitution of Newfoundland as it existed prior to confederation there was a provision that the governor should not permit a divorce bill to be passed. I am not sure, but it seems to me questionable whether persons resident in Newfoundland can be divorced. It could be done only on the authority of parliament; and that brings me to another point.

Mr. Knowles: They are being divorced here.

Mr. Browne (St. John's West): I know they are. The hon. gentleman has brought in this bill to give the Exchequer Court of Canada power to grant divorces. That still would not take away the power of parliament to consider bills of divorce, as we sometimes see divorce bills going through concerning persons resident in Toronto, or other parts of Canada, as well as those living in Quebec and Newfoundland. Parliament cannot divest itself of that authority. Even if this bill were passed there would be nothing to prevent anyone applying to parliament for a divorce.

Mr. Knowles: Is it not a fact that when one of the parties is resident in Toronto, as the hon. gentleman says, the other party is a resident of Quebec or Newfoundland?

Mr. Browne (St. John's West): I am not sure on that point; I have tried to study this matter, but I cannot remember that. Sometimes, of course, the other party cannot be found. The other day I read the evidence in a couple of cases coming from Newfoundland, and I was very much surprised at the method adopted to prove adultery. The main evidence was given by counsel for the petitioner, who visited the home of the respondents and interviewed the two persons who were living together in an illicit state. That was the evidence upon which the divorces were granted by the other place; and of course when those bills came here the evidence was not read at all. As far as the matter of evidence is concerned, I have no doubt that the method proposed by the hon. member would be much sounder from the legal point of view, but I am afraid it would have the effect of making divorces easier to obtain.

This bill does not touch the fundamental, basic issue at all, as to whether or not we should have divorce. I am opposed to divorce in any form, and for that reason I am opposed to this bill.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, apart from the sponsor of the bill, the hon. member for Winnipeg North Centre (Mr. Knowles), all those who have spoken have been in opposition to it. My purpose in speaking this evening is to offer support, and I shall give my reasons for doing so as I go along. I have been a member of this house for more than ten years, and this is the first occasion on which I have uttered a word with respect to our method of handling divorce cases. Whenever the opportunity presented itself to vote against our procedure, I have done so. When I came here over ten years ago and witnessed the way we handled divorce cases from Quebec and Prince Edward Island, I was amazed. After having been here a while and witnessed that procedure during several sessions, I became shocked. Now, in the course of my eleventh year, I am completely disgusted.

I should like to stress one extremely important fact in connection with this bill. In no sense does it broaden the grounds for divorce. It seemed to me that the hon. member for St. John's West (Mr. Browne), consciously or otherwise, conveyed the impression that the grounds for divorce were being broadened by this legislation, but that is not the case. As a matter of fact I can easily appreciate that divorce might be made more difficult as a result of transferring jurisdiction to the Exchequer Court of Canada. Perhaps I should say at this point that I dislike divorce just as much as any hon. member of this house. I think it is appalling when one examines the statistics in Canada, and learns the extent to which divorce is increasing within our nation. Thank goodness it is not as bad as it is in the United States where divorce, in my opinion, has made marriage nothing more than legalized adultery. I am not too certain that transferring the jurisdiction to the Exchequer Court of Canada is the best method of dealing with the question, but certainly there is no doubt in my mind that it is preferable to the method which we are applying at the present time.

I would be the last one to offer any suggestions or any hints that hon. gentlemen in the other place do not do the best possible job, having regard to all the circumstances. But, Mr. Speaker, not so long ago we had occasion to discuss in this chamber the work of the other chamber. The thought that entered my mind at the time was that if we would not tie them up by forcing them to deal with over 300 divorce cases in the course of one session, possibly they would be in a better position to render more effective service on behalf of the Dominion of Canada.

Mr. Speaker, I have a clipping from the Montreal *Gazette* of June 13, and I think I should refer to it because it is extremely significant. It is under the dateline, Ottawa, June 12, and reads as follows:

> The Senate committee on divorce presented its final report of the session today and with a last flourish, protested again the system that annually brings hundreds of divorce seekers to the doorstep of parliament.

The report then refers to the fact that Senator W. N. Aseltine, sixty-four year old Rosetown lawyer and wheat farmer and father of five children, who has been a member for sixteen years and chairman for ten, now finds it necessary to resign. Here is a further paragraph from the report:

> The report disclosed that in granting divorces to 235 Quebec petitioners and 5 from Newfoundland—other provinces have their own divorce courts—the dominion treasury would get $47,330 in fees. But it indicated the work of hearing petitions was getting tougher every year and it wasn't worth the money.

In concluding the report states:

> Your committee regrets that parliament has not yet seen fit to solve the problem of parliamentary divorce by setting up suitable tribunals before which these numerous cases from Quebec and Newfoundland can be heard.
>
> It is to be hoped that something will be done in that regard in the near future because members of the divorce committee are compelled, under the present set-up, to spend the greater part of their time in hearing evidence, thus leaving little or no time for the performance of their other important duties.

Mr. Speaker, I believe that as long as we leave that growing burden on their doorstep we have little justification for criticizing them if they do not happen to do as much as we believe they should in other spheres of activity.

I should like to quote one more paragraph from this article:

> Senator Robertson said whether or not another method of dealing with divorces from Quebec and Newfoundland could be found remained to be seen. But at the moment this was a responsibility of the Senate and he believed Senators should be willing to shoulder their responsibility.

I hasten to add that I believe they have shouldered the responsibility, but I certainly believe it is a responsibility that should no longer rest upon them.

[Mr. Shaw.]

In summarizing let me repeat that I am as much opposed to divorce as any other member in this house. I repeat also that I think the statistics which are available to all should present cause for alarm, but certainly in imposing upon parliament this onerous task we are doing nothing to cause any decrease in the number of divorce applications from those two provinces. We are becoming a joke, as it were, in the method by which we deal with these petitions. Today we pick them up in blocks, whereas ten years ago we at least gave some consideration to each individual divorce case. We have now reached the stage where we say, shall section 1 of a group of twenty-five or thirty divorce bills carry? Shall section 2 of a group of twenty-five or thirty divorce bills carry? I ask hon. members what could be more ridiculous than that?

Someone may say that these cases are thoroughly considered by the divorce committee, and that is true. Some say that the committee on miscellaneous private bills goes through the evidence and makes recommendations. That is true, but we cannot escape the responsibility that arises from the fact that these divorces cannot become final unless they are approved by this house, and it is the method by which this house handles these divorce cases that I am protesting very vigorously. Certainly, sir, in speaking thus I am speaking for myself. I have not consulted my colleagues. I do not know what they think about this matter, but certainly I have no hesitation in advancing my personal support of the bill now before us.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I suggest this is a bill which should receive a great deal of consideration. I do not know whether the mover of this bill had in mind the fact that the bill might be voted upon tonight. I intended to speak in favour of the bill, but since it is nine o'clock and I have not time to make any lengthy remarks, I shall merely register my approval of the bill, and ask to adjourn the debate.

Mr. Speaker: The hour for private and public bills having expired, the house will resume consideration of the matter under discussion at six o'clock.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Special—

40. Major irrigation and water conservation projects in the prairie provinces, $7,719,500.

Mr. Wylie: I should like to ask the minister a question in connection with the Bow River Development and Irrigation Company. Have final arrangements been made for the government to take over that company, or are negotiations still being conducted?

Mr. Gardiner: So far as the discussions with the company are concerned, and the discussions with the provincial government, final arrangements have been made. As my hon. friend knows, these companies went into receivership, and the two companies have not been cleared from the records over in Great Britain. We thought that would be accomplished by April 1, but there have been some delays on the other side. We do not feel we should proceed with any development work until the titles are clear. I do not believe there will be any trouble about it, but it is a matter of delay. We regret the delay, but we cannot do anything about it.

Mr. Wylie: What I object to is that over a year ago it was announced that the company had agreed to sell to the dominion government. At that time most of us were anxious that that should be done so that we could get ahead with the irrigation projects in Alberta, especially west of Medicine Hat. However, another year has gone by, and nothing has been done; that is two years of inaction since the election. Surely they are not going to wait until another election comes around before they tell us that they are going to do something in connection with the scheme. May I say we in that corner of the province have listened to these promises for years and years. We are still listening to them. Canada is lagging far behind in irrigation in comparison with other countries. I am going to put on record what some of the other countries have done in connection with irrigation. In India they have 60,100,000 acres under irrigation. In China they have 47,500,000 under irrigation; in the United States they have 21 million; in Russia they have eight million; in Japan, 7,600,000; in Egypt, 6,500,000; in France, 5,720,000; in Mexico, 5,700,000; in Italy, 4,900,000; in Iraq, four million; in Spain, 3,500,000; in Java, three million; in Chile, 2,970,000; in Brazil, 2,200,000; in Morocco, 1,500,000, and in Canada we have one million acres under irrigation.

Mr. Gardiner: How much have they in Babylonia?

Mr. Wylie: In so far as irrigation is concerned, we are at the bottom of the list of these countries. In Alberta we who have suffered one loss after another are beginning to realize that the government is not very anxious to put in irrigation.

I want to refer to a very important speech that was made in this house on May 31 by the Prime Minister of Pakistan. What he had to say certainly applied to this country. I am reading from page 3043 of *Hansard:*

> But democracy, in Pakistan or elsewhere, is of little use to the common man unless its advantages are made available to him in his daily life and his standard of living is raised at least to a level which gives him a substantial stake in the way of life which he has chosen for himself.
>
> We are fully conscious of this, and consider it our foremost duty to develop the resources of our country at the greatest possible speed. Even in the days of our greatest anxieties we were able to go ahead with this task, and though much remains to be done we are glad that we have been able to revive our trade, to plan the development of our irrigation, the expansion and modernization of our agriculture and the utilization of our power resources; to keep our budgets balanced and to throw the gates wide open to private enterprise in our industrial development. For this task there is nothing more essential to us and nothing that we could or do desire more passionately than peace.

The Prime Minister of Pakistan realizes, as I am sure we do, that we must advance the development of our resources. We in southeastern Alberta, an area which this year has been hit by one dust storm after another. and an area in which crop conditions at the present time are not good—as the minister knows, the whole of the province is only 57 per cent of normal, which is a serious situation because when the whole of the province is 57 per cent of normal one realizes that the southern part is the driest and especially the southeastern part—look upon this irrigation development as something that we want to see go ahead. Nothing has been done on the Canada Land and Irrigation Company or the Bow river development last year, and nothing will be done this year. We are still waiting for someone over in London, England, to agree to the price that the government wants to pay for the land. I think it is absolutely ridiculous, and we are still—

Mr. Gardiner: It would be ridiculous if it were true; it is not.

Mr. Wylie: The minister make a remark. I did not hear what he said.

Mr. Gardiner: I said: "It would be ridiculous if it were true; it is not."

Mr. Wylie: It certainly is true. I will be glad to sit down if the minister wants to tell me what is going on, and what is going on in connection with the development of that project.

Mr. Gardiner: You would not listen, anyway.

Mr. Wylie: I will listen. I will listen to the minister at any time if he can tell me where there is any development going on in

that project whereby the cities of Redcliff and Medicine Hat are going to benefit by the extension of that irrigation project. I will be glad to sit down and listen to him, but nothing has been done. The minister knows as well as I do that nothing is being done.

Mr. Gardiner: No, I do not. My hon. friend and his friend up there, who is one of the local members, are spending considerable time spreading rumours that keep the people more or less worked up about it all the time. By coming here and saying that nothing is being done about it he is obstructing it all he can.

Mr. Wylie: I certainly disagree with everything the minister has said, because I do not know to whom he refers as the local member. If he refers to me I am certainly willing to debate it with him at any time; but so far as talking to some local member is concerned, I do not know who the local member is. Perhaps the minister knows more than I do about what is going on.

Mr. Gardiner: You know all about it.

Mr. Wylie: If the minister knows I wish he would tell us. It would overcome the worry, and many people are worried today. There are letters in the Medicine Hat *News* almost every week wondering what is happening to our irrigation project. A big debate went on between the Medicine Hat *News* and the Lethbridge *Herald* about bringing water down from the St. Mary dam, which I stayed out of completely. These letters are appearing every week. People want to know what is going on. I would certainly like to hear what is being done on the Bow river development scheme.

Mr. McCusker: Perhaps this is the item on which I should say a few words. Hon. members will recall that in the house last year I told of the sad plight of Regina city owing to the government in the early days having located it in the wrong place. I gave hon. members a picture of the rapidly falling water table; I told of the difficulties we had in obtaining a supply of water and of having to go to the Saskatchewan river to seek one.

Last year a conference was arranged between the provincial authorities, the city of Regina and the dominion government in Ottawa. At that conference the city was willing and said it was able to pay one-third of the cost of bringing a water supply to Regina. The provincial government denied any responsibility. I remember the Minister of Trade and Commerce, who was at the conference, stating that had the provincial government been willing to assume its responsibility he would have found it very difficult to have refused to assume the other one-third.

That conference came to naught. We went back home and this summer we studied our problem and carried on, and again we came back for another conference. There is one principle I want to make clear, namely, that the first responsibility rests upon any municipality for a water supply of its own. First, the municipality, then the provincial government and lastly the dominion government is responsible. If it is beyond the means of the municipality to supply its own water it can get assistance from the others. But the provincial government is one that is next responsible for that assistance. This whole issue is being obscured today because it is being charged by provincial authorities that when I was seeking election in Regina City I claimed that I alone would get the city of Regina a water supply. I am not quite equal to that; but I wish to say today that out of the last conference has come an offer to the city of Regina and to the province of Saskatchewan that the dominion government will place water in Buffalo Pound lake, which is about forty miles from Regina. That means that the dominion government will bring water from the Saskatchewan river to Buffalo Pound lake, which is north of Moose Jaw, and about forty miles west of Regina.

Here they offer to maintain a supply of water until such time as the dam is built at Outlook, and water will flow by gravity down the Qu'Appelle river. They offer to put it into Buffalo Pound lake, and stand the cost of maintaining the water supply there, but I do not think they have gone far enough. That would probably mean an initial outlay by the dominion government of $650,000 or $700,000. There would be a yearly outlay for keeping it there by pumping of about $12,000 or $15,000—perhaps even $20,000.

But that water is not being kept there for Regina and Moose Jaw alone. It is being kept there to supply irrigation projects, stock-watering projects, and irrigation all down the valley to Brandon. So that by doing this there is not a great deal being done for Regina and Moose Jaw. What they are doing is saying that they will replace any water out of Buffalo Pound lake that Regina and Moose Jaw will use. As urban municipalities Regina and Moose Jaw are perfectly entitled to go to Buffalo Pound lake, take all the water from there and leave the farmers high and dry.

However I think, though I wish to thank the government for what it has done in assuring us of a supply of water, and while

the people of my city are vigorous and willing to face problems—I repeat that—I think the cost is too high. The second step of that project is to bring the water out of Buffalo Pound lake up about 175 feet to filtration beds, and from there it can be taken to Regina and Moose Jaw. That will entail another expenditure of about four million dollars. Surely hon. members sitting in the House of Commons this evening do not want to see Regina and Moose Jaw have an insufficient water supply.

Hon. members will agree with me when I say that it is the duty of the dominion government to pump that water out of Buffalo Pound lake and bring it up to the filtration beds, and say, "Here is your fresh water supply. You can pipe it in yourselves." That is what should be done, and that is what I am asking the minister to have done, if at all possible.

Mr. Thatcher: Mr. Chairman, there are one or two comments I should like to make on this item. If the Minister of Agriculture meant what he said before six o'clock, it might mean a good deal to western Canada. Because if I understood him correctly he said that next week, when he goes west, if a suitable agreement can be signed with the provinces construction work might be started next year on the south Saskatchewan irrigation project.

I am disappointed of course that it is not being started this year. But if it is actually going ahead next year the minister will have accomplished a good deal, and I shall then be happy to congratulate him. There is one word of admonition I should like to express. I understand the agreement he will probably try to make with Saskatchewan will be based upon the master agreement of the St. Mary project, which he made with Alberta. If that is so, I hope he will not be too difficult with the Saskatchewan government. Alberta might be able to sign an expensive agreement because of their oil wells and oil leases, but Saskatchewan may not be able to do quite so well.

I hope the minister will take all that into consideration when he is drawing up this proposed agreement with Saskatchewan. I do not know whether eastern members realize just how badly the south Saskatchewan irrigation project is needed, but I can say I was in western Canada last week. Between Moose Jaw and Saskatoon I had an opportunity to look down from an aeroplane, but could not see the ground because of the dust that was blowing. The tragedy of the situation is that through the middle of the dust bowl area the south Saskatchewan river flows, and it hardly seems sensible that we as a parliament should permit that condition to continue. The water is there, flowing out into Hudson bay.

If we would put a dam there, or several dams, and utilize that water we could eliminate many of these P.F.R.A. and P.F.A.A. expenditures which we now have. So far as the statement made just now by the hon. member for Regina City is concerned, he pointed out that the Buffalo Pound lake project would cost too much. I do not think the people of Regina or Moose Jaw feel that the federal government made a proper offer recently at all. I speak from memory, but my recollection is that the federal government offered to pay about half a million, while the total cost was five or six million. The mayor of Regina expressed great disappointment in that.

I do not think that the Buffalo Pound project is a proper solution. If the minister and the government would proceed with the south Saskatchewan irrigation project next year, Regina and Moose Jaw would get a proper water supply and we would have the whole area irrigated. I must emphasize again that this is not the only western project, because if the west has another recession, or if they hit another drought period, the eastern manufacturers who sell merchandise in that part of the country will suffer, as well as anybody else. I say again to the minister that if he does what he promised about this south Saskatchewan irrigation project, then he will go down in history as a great westerner.

Item agreed to.

Mr. Charlton: Is the parliamentary assistant going to answer the question asked this afternoon by the hon. member for Souris?

An hon. Member: Too late.

The Chairman: Everything is carried.

Mr. Graydon: I think the parliamentary assistant would like to answer. He should not be denied that opportunity.

Mr. McCubbin: Mr. Chairman, I am glad to answer the hon. member for Souris in respect of the statement he made a while ago. However, before doing that I should like to answer the hon. member for Brant-Wentworth who asked yesterday about the number of t.b. reactor animals condemned to the tank, and the amount of money paid in the counties of Brant and Middlesex. I should like in that connection to place some

figures on record. The figures in the following table give the numbers of animals condemned, and the amounts expended in connection therewith:

	No. of animals condemned	Amounts expended
County of Brant:		
1947-48	21	$ 2,202.43
1948-49	9	1,305.28
1949-50	3	444.05
County of Middlesex:		
1947-48	2	235.24
1948-49	763	118,723.36
1949-50	146	21,549.83

This afternoon the hon. member for Souris referred to a statement that I had made between Christmas and New Year's in 1949 and in connection with which I was quoted as saying certain things in respect to government controls and the marketing of farm products. I did make a statement at that time to a group of young people at Western university and I am not backing up one bit in what I said. When I spoke I was not speaking for the Minister of Agriculture nor was I flying a kite for him; I was speaking as a member of parliament and as a farmer. One headline in the London *Free Press* read:

Extension of marketing boards, McCubbin plan.

I have other quotations here, one from the Winnipeg *Free Press:*

More marketing boards defended by McCubbin.

I have always felt and I feel now that the marketing boards that have been set up in the different provinces can do a good job in marketing farm products. I think that such boards offer a part solution for the problem of marketing farm products in the future. I am not opposed to subsidies or floor prices. I am in favour of them and always have been. As I said at London, I think we should have subsidies and floor prices to help the farmer through periods such as the one he is passing through at the present time. During that speech I urged the government to put a floor price under eggs as we had lost the British market and egg prices had fallen to a low level. I felt the government should step in, which they did, and a floor price was placed under eggs.

There has been some discussion about what I said there. I attended many protest meetings during January throughout western Ontario at which were repeated many of the statements I had made at Western university. I will admit that some people were opposed to what I had said because they felt that the government could market our farm products perhaps better than marketing boards. I congratulate those farmers because it shows that the farmers of Canada have faith that the Liberal government will do a good job for them.

But I feel also that marketing boards with the assistance of the dominion government can do a good job in the marketing of farm products and I urge the farmers of Canada to set up these boards so that our agricultural producers may be assisted.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

Mr. Croll: Mr. Chairman, some time ago I joined with many hon. members of this house in expressing my good wishes to the Minister of Citizenship and Immigration upon his appointment to this new office and, like other hon. members of this house, I looked forward to his first official address. On April 21 the minister outlined the departmental policy. I have always had much regard for the minister's ability and integrity; I thought that his appointment was a mark of recognition that was well deserved and I looked forward to hearing the government's immigration policy. I must confess that like other hon. members I was disappointed.

On reading the minister's speech I found that he said what every other political party has been saying since 1945. As a matter of fact, he did not go one step further. He said that he was in favour of immigration, but as I read *Hansard* I find that every party in this house is in favour of immigration. The Tories were in favour of it; the Conservatives were in favour of it; the Progressives were in favour of it; the C.C.F. were in favour of it; the socialists were in favour of it; the Social Crediters were in favour of it, and I gather that the Liberals were in favour of it. That seems to be the signal for real action.

Yet to date we have heard very little about any new immigration policy enunciated by this government. The minister said in his statement that the country has benefited in the past from immigration. That proposition has been around for a long time because I have been hearing it ever since I can remember and I imagine my father heard it also. The minister said also that this country could support a larger number of people than we have at the present time. That has been around for some fifty years. We have believed in that. Then the minister repeated the words of Mr. King, as prime minister, in 1947 as follows:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in the national economy.

I think it will be admitted that that is not a new policy or a very forthright one. In fact I am inclined to agree that it is not a policy at all. The best you can say for that statement is that it is a pious hope, except for the use of the word "vigorous" which perhaps does something to save the situation.

The only virtue about the suggestion made at that time which might be called a policy is that it had aged for a long time, but I am not at all sure that age is a necessary requisite of an immigration policy although it may be an advantage with other products. We have heard that for some thirty years and so far it has not got us anywhere. Speaking in this house in December, 1949, I said:

> I ask this house, by what stretch of the imagination is a nephew 25 years old less desirable as an immigrant than his younger brother of eighteen? He is still excluded, however. Why should we admit a niece, but not a cousin? Why may a single man come in, yet we exclude married couples. I believe these categories are unrealistic. They should be abolished.

And again:

> I think the test of admissibility to this country must be twofold. First, is the immigrant a useful citizen; and second, is there someone in Canada who will accept responsibility for him, who will guarantee accommodation and maintenance until he becomes self-supporting. Then, providing they are in good health, physically and ideologically, they should be encouraged to come to Canada to build new lives here.

We have set up a new department, and all of us were happy that that had been done. But there is just one thing that has been left out, a new policy. We expected the Department of Citizenship and Immigration to be an improvement over the old immigration department that was tucked away in the department of mines and resources. Instead in its first statement of policy we find that it hesitates, falters and stumbles. When it speaks now on immigration it has a hollow sound because its policy at the present time is an echo of the past. Canada's immigration policy over the last thirty years has in fact been a "no immigration" policy. I hope we shall have a better policy in the third quarter of the twentieth century than we have had in the second quarter.

Mr. Fulton: We had better get a new minister.

Mr. Croll: The minister is doing very well and performing satisfactorily. I have no complaints against him and neither should the opposition. If we do not have a more vigorous policy then we shall be hard put to justify our exclusionary laws both to our own citizens and to the world at large. As has been pointed out by a member of the house, we have in Canada the last great reservoir of land in the western world today. With a larger land area than the United States we have a population one-tenth of that of the United States. Yet our total immigration last year amounted to only 95,000 people. On May 27 the minister spoke before the Kiwanis club, and the Ottawa *Journal* has the following report with reference thereto:

> It was estimated that Canada could absorb approximately 140,000 immigrants yearly into her economy . . .

Mr. Fulton: Shame.

Mr. Croll: I really do not need any help from the hon. member for Kamloops.

Mr. Fulton: Yes, you do.

Mr. Croll: No, I am not that hard up. Here are some statistics.

Mr. Fulton: Get a new minister and a new government.

Mr. Croll: In 1948 the monthly average of immigrants entering Canada was 9,352. In 1949 it was down to 6,966, and in 1950 it was down to 4,823.

Mr. Fulton: And the hon. member for Kamloops got that information for you.

Mr. Croll: I thought the press party was over. Let me give the committee some interesting statistics with respect to British immigrants. In 1948, 46,000 British immigrants came to Canada, in 1949, 22,000, and in 1950, on the basis of the first three months, only 15,000 will come to this country. The total number of immigrants in 1948 was 125,414, in 1949, 95,215, and in 1950, on the basis of the number that have come to Canada in the first three months, it will be 60,000 at the most. I think that is a very sad picture indeed from our point of view. When we deduct from that the number of people those who have been emigrating to the United States, we realize that our net increase is a pretty insignificant number.

The minister tells us that the policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. My purpose in speaking tonight is to try to build a fire under the minister and the department so that he may get on with his job. One hon. member referred to an article by Sir Norman Angell which appeared in the London *Observer*. The article pointed out that at the time of Lincoln's death the population of the United States numbered little more than 30 million. Today it is a nation of 150 million people enjoying the highest standard of living in the world. In the fifty years following the civil war the United States has admitted over 33 million immigrants, or almost two and a half times

the number of people in Canada today. I think it is well for us to reflect what would have happened to the United States and to the world if her population had remained at 30 million or thereabouts. I doubt very much whether we would have been here today to even talk about this problem.

We in Canada are facing the same challenge in 1950 that the United States faced in 1865. At our present rate of increase our statisticians predict that we will reach a static population of only 18 million by 1980, and that beyond that we can only hope for a decline. I, and I hope other members, will not accept what appears to be the fact that Canada must reach the peak of her development in 1980. Not only our prosperity but our very existence compels us to prove that the statisticians are wrong. There is only one way to prove they are wrong, and that is by more and more immigration of the desirable kind. We cannot have an immigration policy based on a tailor-made labour program. I call on the minister to take a leaf out of Australia's book. There is a country with half the population of Canada and only a tiny fraction of our resources. They are taking in 200,000 people a year. I refuse to believe that we cannot absorb any more than 95,000. I think Canada can and must admit a minimum of 200,000 immigrants a year over the next thirty or fifty years. If we do less we are deliberately stunting our growth. If we deliberately fail to build up this country's population then we deserve whatever the consequences may be.

The Minister of Citizenship and Immigration has inherited an able and conscientious department but I ask him not to inherit the old hand-me-down policy as well. It served us badly in the past and it does not look any better for the future. Times have changed with regard to many things, and as to immigration as well. The people of the world are no longer clamouring at our doors to come here in the same way that they used to. Many have grown tired of waiting and have gone to some other place—and I do not mean "the other place", as you well know. It is up to us now to go out and get immigrants, to sell them the idea of coming to Canada in the same way that Australia is doing at the present time. We must have more British immigrants. I have an article from the Windsor *Star* of June 6, 1950, which reads:

> Canada's parliament now is in the last great rush to conclude the business of the present session. It should not be in such a hurry, however, that no attention will be given the problem of immigration from the United Kingdom. In the past, that has been the most important source of immigration. It should be also in the future. But it won't be unless some action is taken to unblock the dam holding back a flow of immigrants, the fact they are unable to bring their money with them due to currency restrictions. Meanwhile, the British are going in great numbers to Australia and New Zealand. This should not be so. It isn't good for Canada or for the commonwealth. The government should devise, if at all possible, some way around this obstacle, and do it this session. Otherwise we will be missing out on some of the most desirable immigrants who will go elsewhere.

According to an article which appeared in the Toronto *Star* of May 15, a Gallup poll in Great Britain indicated that 48 per cent of the people between the ages of 21 and 29 were prepared to emigrate, and that 41 per cent of those between the ages of 30 and 49 were also prepared to leave that country. Their first choice, of course, is Australia; their second choice is New Zealand, and their third choice is Canada. They are very anxious to come here. In 1949, as I have already indicated, there was a decline of almost 50 per cent in immigration from the British isles as compared with the previous year, and we may expect that decline to continue unless we do something about it and do it now. Britain has been traditionally a source of very good citizens, but at the present time we find them fenced off by currency regulations. Somehow we must break down those barriers; and I am sure if there is the will to do it it can be done. I feel that in future we shall regret our failure to stock this country with more people from the British isles.

Australia is actually subsidizing British immigration. As a matter of fact an immigrant leaving Britain today for Australia can save a thousand dollars, because he has all transportation costs paid for himself and family, while he must pay for his own transportation to this country. It may be that we will have to do the same thing, or work out some method of unfreezing a man's assets in Britain. Perhaps the answer would be for the government to take over a certain proportion of the assets in Britain of a prospective immigrant, and advance him the money in this country. Whatever the solution, we must find it; it is our bounden duty to do so.

There are other countries where we have to go shopping for immigrants. We are doing very well in Holland at the present time, and fairly well in Italy. The Benelux countries are available to us, as well as Norway and Sweden. For almost sixty years we have drawn people from those small countries, and they have helped build up Canada. They have given us farmers, artisans, technicians and labourers, and we could use very many more if only we would get out and encourage them to come to this country.

My chief purpose in rising this evening was to point out to the government that we seem to have completely overlooked one

great source of immigration. On May 10 an answer was given to a question asked by the hon. member for Victoria (Ont.) as appears at page 2356 of *Hansard*. The question was:

1. How many displaced persons were brought to Canada during the year 1949?
2. How many other persons immigrated to Canada during the same year, and from what countries?
3. How many from each country?

The answers are very interesting. During 1949 England provided us with 14,403 immigrants. The next largest number came from the United States, 7,756. Then came Italy, with 7,654; Holland, with 6,812, and so on down the line. From 1945 to the present time over 45,000 Americans have settled in this country; and they have come without any particular encouragement. For many years, as everyone knows, we have been losing population to our neighbour, simply because we have not made any very serious effort to reverse the flow. In the United States are a great number of potential immigrants; people who want land, people who want opportunities that to some extent are denied them in what is becoming a very crowded country. I have met a great number of Americans who have found in Canada the room, the easier pace and the opportunity to develop that to some extent do not exist across the border. There are thousands like them; and, what is more important, they are our kind of people. There is no question of integration, or of education for citizenship. They are well versed in it. These people are not only good citizens; they are good democrats, and we should encourage them to come here to make up for the many people we have given to the United States over the years. I believe there is available to us in the United States a great untapped source of immigration. Farm land is available here, and there are farmers on marginal land in the United States who would like to come here. There is no question of security, no question of living standards. They are accustomed to about the same thing we have here, and I think it would be far wiser for us to attack that problem instead of moving our employment offices over to Europe and attempting to obtain immigrants in that fashion.

Before the war we maintained immigration offices in the United States. I believe the time is overdue for us to reopen those offices in California, in the middle west, and in the great congested areas of the east. I am convinced that we can attract from the United States tens of thousands of people if only we have the initiative to go after them. I urge the minister to frame a bold immigration policy, to make that policy realistic, and to make it produce. I hope the minister is not going to be frightened by a few anti-immigration resolutions from here or there, or by the insignificant noise of small groups. The *Globe and Mail* of February 14 reports the minister as saying:

Mr. Harris said labour unions did not oppose Canada's immigration scheme. Nor did they think they were being hindered in any way. They were willing to accept these people.

I want this house to understand that labour in this country has grown up; labour knows that what is good for the country is good for labour. In immigration we must adopt a national outlook. We must put into effect a truly vigorous immigration policy that will benefit every part of the country from the lumber camps of British Columbia to the fishing banks of Newfoundland. More than anything else in this country we need people of every kind and description. I agree that we must choose wisely and carefully, but on the other hand we must also choose generously. I believe the time is overdue for the minister to tell us in unmistakable language what we are going to do about immigration.

I want to conclude with this quotation. James S. Duncan, the president of Massey-Harris Limited, is a great Canadian, as this house will agree. Speaking in Toronto on June 6, as reported in the *Globe and Mail* of June 7, he had this to say:

"It is necessary for us to carry our products to a wider group of countries," he said.

He was speaking about trade. Then he went on:

"Almost of equal importance, we should open wider the doors of immigration, welcoming to Canada worthy, self-reliant immigrants in ever greater numbers, so as to build up our national strength and to provide a larger consumers' market at home."

Mr. Duncan warned that people should not be fearful that a rapid growth in population will lower our living standards. He pointed out that today, in terms of pre-war purchasing power, our real national income per capita is 71 per cent higher than in the boom period of 1926-1930.

I hope other hon. members will join me in asking this government to come to grips with this problem here and now, and to declare itself.

Mr. Decore: I should like to make a few observations in connection with Canadian citizenship as I see it. First of all, may I congratulate the Minister of Citizenship and Immigration upon his elevation to the important post which he now occupies. The responsibility placed upon him is great, and those of us who know him, especially the new members like myself, are impressed with his sincerity of purpose and his sympathetic attitude. I believe those are important qualities in discharging obligations such as he has.

Today when we consider our position as citizens in this country of Canada, as well as members of the British commonwealth of nations, I believe it is clear to most of us that subtle and insidious indoctrinations emanating from without, and cleverly worked out propaganda from within, are at work today trying to undermine the very foundations of our way of life. I feel confident that we need not be much concerned about the potential forces from without which threaten to destroy us, providing that we as Canadians clearly understand our duties and responsibilities to Canada. With a common unity of purpose to common ideals, come what may we can always face with confidence any threat to our existence. That is where good citizenship plays such an important role. Even if the forces from without which are threatening our existence did not exist, it is only through good citizenship that we can improve the conditions under which we live, and bring happiness and well-being to our people.

The essence of good citizenship is one's love or loyalty to his country, or what is termed patriotism. Patriotism welds all the diversified elements which we have in this country into a hard core of resistance should outside forces not only threaten but challenge us. I think it is fortunate that the genius of the British and American peoples lies in their gift for successfully integrating various stocks, and in making the citizens conscious of their duties and responsibilities to the country in which they live. I say it was for this reason they were able to build up strong nations within the commonwealth, and within the United States. That is why Canada, after the last two world wars, has emerged much more powerful and is able to play a greater role in international affairs; that is why, during the last war, Canadians made a contribution to the war effort which was noble and enduring.

Although we have reason to be proud of our achievement in our unity of purpose, yet I think we must admit that our record of good citizenship is not without blemish. Although we take pride in championing the democratic rights of the individual, yet too often in the past have we found ourselves, or have we seen people, the victims of prejudices. Too often in the past have we found people prejudiced because of a man's colour, or because of the church he attends, or because of his racial origin, or because his name does not sound Anglo-Saxon. It may be Petrosky, or Eisenhower, or pronounced "Yonson" instead of Johnson by his friends. Too often have we seen various clubs refusing the applications of applicants because they were considered to be foreigners or of foreign extraction, although they may have been naturalized in this country many years ago or may have even been born in this country. Too often in the past have we heard statements made with a certain undertone of contempt when reference was made to a Jew, or a Catholic, or a damn Englishman. I know some choice expressions, Mr. Chairman, about the Scotch and Irish, but I think my better judgment tells me not to use them at this time. At any rate too many people have entertained in their minds a dislike for the unlike. Fortunately this is now becoming past history, and I think we are getting away from that.

I believe our fault was that we were not building a strong Canadian conscience. We were not selling Canadianism to Canadians. During the course of this debate the member for Lake Centre made reference to the difficulty with regard to the census regulations as they existed prior to the passing of the Canadian Citizenship Act. Incidentally, although we may not all agree with everything the member for Lake Centre may say in this chamber, yet I do say that that was one of the finest speeches on citizenship I have ever heard. To those who did not have the good fortune to hear it, I would suggest that they read it in *Hansard*. In any event he pointed out the difficulty that existed with reference to the census regulations prior to the passing of the citizenship act. That is why I feel that the Canadian Citizenship Act was one of the greatest pieces of legislation ever enacted by this parliament. Under it, regardless of our racial origin, regardless of what church we may attend, regardless of what occupation we may follow, one thing we have in common with our fellow Canadians is Canadian citizenship. At the same time we remain as members of the British commonwealth of nations, and retain our status in that great organization which I believe is the greatest organization the world has ever seen.

After the last war considerably over a quarter of a million immigrants came to Canada from various parts of the world. I should like to speak particularly of those people who came from continental Europe, many of whom were formerly in displaced persons camps. The interesting question arises, what do those newcomers expect and hope for in Canadian life? What do we, as Canadians, expect from them? Are we to regard the newcomer as a queer individual with a name that is hard to pronounce, unable to speak English, and leave him to his own devices; or do we as Canadians have a duty and obligation to those people? I believe all hon. members will agree with me that, no matter where one goes, people's wants and desires are similar. The newcomer's desires may be

summed up as follows: First, he wants to learn the language. Second, he wants economic security. Third, he wants to be accepted socially in the community in which he resides. To the newcomer the language is of the utmost importance. If he is to obtain and retain a job; if he is to follow or understand instructions from his employers; if he is to get along with his associates, he must know the language. If he is to know what is taking place in the world, he must read the newspapers and follow what is being said on the radio.

I have had occasion to personally interview many of these newcomers. One of the first things they set about learning is the language. I must say that I was pleasantly surprised in finding many of them have made progress in learning the language of this country. Economic security is also a major desire on the part of the newcomer. After having spent years in concentration camps or displaced persons camps he wishes to find a job, to do some work, which will give him and his family a fairly happy surrounding and a decent home life. Only by their achieving this can one expect those newcomers to retain their self-respect.

The third desire, namely, social acceptance in a community, is such that the newcomer wants to be on an equal footing with his fellow citizens. This probably is the most important factor in developing in him a love for the country which he has adopted as his own.

In general, a newcomer has a feeling that he will not only enjoy the privileges of his newly adopted land, but be able to do his share in contributing to his community and to the Canadian national life.

We, on the other hand, want people with new skills and new devices for the development of our natural resources, and who will supply us not only with unskilled but also with skilled labour, who will increase our national income, and who will help to defend this country should the need arise. I believe that probably the strongest defence program that we could have for this country of ours is by getting more people into this country, although I do not intend to dwell on the question of immigration at this time. In any event we want immigrants who, when they come into this country, will become good Canadians.

The question therefore arises: What part are we as Canadians going to play in helping newcomers to become good Canadians? Many people are concerned about some of these people who come into Canada; they are concerned about teaching them the basic principles of democracy and the freedom to the individual that democracy implies. My submission is that these people who come in from displaced persons camps are probably more conscious of the value of democracy than we ourselves are. We take too much for granted. Let us not forget that these people have actually witnessed and have experienced the very converse of democracy in its worst form. Let us not forget that they have spent years in concentration camps, in Russian and German slave camps; that some of them have actually seen the liquidation of their brothers, of their sisters, of their neighbours and of their friends. These people after being chased all over Europe, and not being certain at any time whether they were going to live the next day or not, made a desperate attempt to reach the shores of Canada, leaving behind them everything that may have been dear to them.

The principle of democracy as we understand it is the foundation on which citizenship is being built. I say that that foundation with these newcomers is already there. First, it is for us to help in building up the structure of citizenship on the foundation that already exists. If these people are to become real citizens on an equal footing with us in the shaping of the destiny of this country a lot will depend on the way you and I play our part in helping them to become real members of our respective communities.

I have already pointed out to this house that considerably over one-quarter of a million people from various parts of the world came to this country and wished to become Canadian citizens. Let me remind you that each and every year in Canada one-quarter of a million boys and girls attain the age of 21 years and thereby through the operation of law reach full status as citizens. The destiny and the future of our country will to a very great extent depend on them. We as Canadians therefore have a duty to Canada in assisting not only the immigrant in order that he may properly adjust himself to our way of life, but also in being more effective in selling Canadianism to Canadians and especially to our young boys and girls right here in Canada.

Citizenship is something that must be acquired through education, through experience, through training, and through a desire to subordinate one's own wishes to the common good. However, we must ourselves have a clear conception of what we mean by good sound citizenship.

In order to be a good Canadian, does it mean that a person coming in from, shall we say, continental Europe must immediately go through some wholesale transformation whereby in the shortest period of time he has to think as we do, act as we do, dress as we do and speak as we do? Does it mean

also that this person, immediately upon arrival in Canada, will have to give up all sentimental ties with the land of his birth, give up his customs and his traditions, abandon all arts and culture and even religious faith for something that we think is good for him? Does it mean that he must even give up his language as something unworthy? If so, we Canadians are going to lose a lot. We have a lot to lose. If so, you can expect bitter and determined resistance to that type of Canadianism. If so, we are letting loose forces of disunity instead of unity.

Some people feel that the use of other than the English language is not conducive to sound Canadian citizenship. The question of language has never been a serious problem in Canada, and most certainly is no longer a problem today among smaller ethnic groups.

In western Canada, and I may use my own constituency as an example, you will find people of various ethnic groups, Poles, Scandinavians, French, Germans, Anglo-Saxons, Roumanians and Ukrainians. Anyone who knows these communities will agree with me that regardless of where you go there is hardly anyone who cannot use the English language and use it effectively. I think you will also agree with me that it would be a pity and a loss to the contribution of our Canadian national culture if these people completely forgot or ignored the language of their forefathers.

Nearly all modern languages are being taught today in our Canadian universities. Should we insist that a group, a certain ethnic group, give up its language, we are in effect insisting that that group give up the key to its culture. Any culture without its own language would be bare and insignificant. Even religious faith would lose its value. Moreover, I think hon. members will agree with me that anyone who knows more than one language certainly has the advantage.

With regard to the question of assimilation, and I prefer to use the term "integration", there are two schools of thought. The first is the so-called melting pot program which would give us a uniformity in our cultural life and make us all the same in the shortest period of time. The other is what is now becoming known as cultural pluralism, which encourages a variety of cultural patterns, and may be defined as a variety of groups with diversified cultures living together as Canadians with a common purpose. It is my belief that the theory of the melting pot is becoming outmoded and is no longer desirable.

[Mr. Decore.]

Culture is never static but is dynamic and is forever changing and gaining new light in this ever changing world. It is in effect an expression of the life of the people. It is taking the best which each ethnic group in Canada has to offer, thereby giving to Canadians a more vibrant and a richer way of life.

I strongly hold the view that the various ethnic groups in Canada, with their diversified backgrounds, have each a contribution to make to our Canadian way of life. Our strength lies in our diversity. I think Canada would have a lot to lose if my fellow Canadians of, shall I say, Irish origin, did not celebrate St. Patrick's day, or the Scotsmen did not celebrate their beloved bard, Robert Burns, or the Canadians of Ukrainian origin their national poet Taras Shevchenko.

I am not a Scotsman, but I certainly like to hear—and I am sure most members in the chamber feel as I do—the music of the bagpipes from the sixth floor of this building, played by Senator Reid, better known to all of us as Tommy Reid. I think the music we hear from those bagpipes in the parliament buildings at Ottawa is symbolic of a true Canadian spirit.

The differences in culture of the various ethnic groups in Canada, with the contribution of each to our national way of life, may be compared to an artist painting a picture. When the artist paints the picture he uses various colours, and tries to harmonize them. The harmony of those colours gives the picture its beauty, just as the harmony of the various cultures we have in Canada gives Canada her strength. You and I are the artists who are today playing an important role in the painting of that picture, or the harmonizing of these various cultures into a truly strong Canadian national life.

After all, what made the British people so strong and made it possible for them to contribute so much toward the civilization of the world was the diversity of stock originally found in England, which diversity—still present today to some extent—has made it possible for those people to contribute so much for the good of mankind.

Canada I think is a model nation in the eyes of the world. We have here over thirty different ethnic groups, and these people have given to Canada their skill, their determination and their talents. That is at least one explanation why today Canada occupies such an enviable position among the nations of the world. Let us therefore pursue with renewed and determined vigour the building of a strong Canadian consciousness.

Mr. Hansell: I have no intention of making a major speech on immigration. Would the Minister of Citizenship and Immigration tell the committee what the present policy of the government is in respect of immigration from Italy, and whether it is expected that that policy may be changed in the near future?

Mr. Harris (Grey-Bruce): Mr. Chairman, I shall be glad to answer the question any time it suits the committee. However I have thought that I might wait until we reached the immigration item before discussing questions such as that just asked by the hon. member.

Mr. Hansell: That is quite satisfactory.

Mr. Rooney: Will the minister take into consideration making it possible for Canadian girls, who married boys from other countries during the war, and thereby lost their Canadian citizenship, to regain that citizenship? Many of them belong to Canadian families of three and four generations, and many married prior to 1947.

Mr. Harris (Grey-Bruce): Perhaps I should give the same answer to that question as I gave to the hon. member for Macleod. I shall be prepared to answer it when we reach the citizenship item.

Mr. Hodgson: Mr. Chairman, I should like to say a word about immigration. I appreciate, perhaps more than I can express, the words of the hon. member for Vegreville. Undoubtedly either he or his parents came to this country by choice because of the freedom it offered at that time—a freedom they have enjoyed down through the years. I noted that in his words of patriotism and loyalty he referred to Canada as part of the British commonwealth. That was an apt reference, but I should have been pleased if, when he was speaking of Canada, he had referred to it as the Dominion of Canada, that great land reaching from sea to sea.

I have had considerable contact with the Department of Citizenship and Immigration, reaching back to a time before the minister took office, and since. I have received at all times from the department the greatest degree of courtesy and efficiency, within the bounds of the regulations governing the functioning of the department. But there are some of those regulations that could be improved upon to some extent.

I have been instrumental in helping to bring to Canada in the last four years a number of Italians, some from England and a few from Scotland, some from Norway and some from Holland. I want to say tonight that that is the proper mode of immigration in my view, so far as Canada is concerned. I am not in favour of dumping d.p.'s into this country. This process of admitting so many d.p.'s is not going to be successful, from the Canadian standpoint. About twenty or twenty-five per cent of them will be good Canadians, but I have grave doubts of the other seventy-five per cent.

A number of these displaced persons have been in my constituency for the last three years. One day last year a fire broke out close to my home. My boys were out fighting the fire, and a number of these displaced persons went along with them. But they would not fight fire in Canada; they did not care if Canada burned up. In fact, fifty of them threw their shovels on the fire so that the handles burned out of them, while our Canadian boys fought for the lives and property of their countrymen.

That class of displaced persons will never make Canadian citizens. However, the other twenty per cent may do so. We have some of them up there who have built their own homes and who are working well. I have in mind one man who happened to be working on a hydro project, one of the greatest we have in Canada today. When he first came to Canada he started out by digging footings with a pick and shovel, but he learned some English. It developed that they were doing some technical work on a diversion project and were more or less at a loss to know what to do. He said he could do the work. They gave him a try-out, and it turned out that he was the best man on that project.

After the war my leader, who was then premier of Ontario, started a selective immigration program which operated most successfully for immigrants from the old land. Those immigrants knew where they were going and for whom they were going to work before they left their native country. In fact, we have five families in Victoria county, good Canadians, who I am proud to say came in under that scheme. They brought in their wives and families since that time, and have become prosperous. After working their terms they have gone on with those farms. Some of them have made deals with the men who brought them out here whereby, in another few years, they will own the farms. They are a real asset to our country.

The problem of bringing out Italians presented some difficulty in the beginning, but the immigration branch has loosened up to some extent—and I do not know whether the minister can take credit for that. The fact is that there has been some change there, with the result that there is a settlement of Italians in my own village who, I am proud to say, are good Canadians. I was the

cause of their coming out some 20 years ago. They came here to work as ordinary labourers cutting cordword; in fact, I cut cordwood with them. Since that time one fellow started and developed a good fruit store in my village; another one started a transport business which has been very successful; another one of these boys owns a saw mill while another one operates a little planing mill; several others have small farms. Many younger Canadians would not stay on those farms but these boys went in, cut a little wood, got a few cows and made a go of it. They own their own cars and they pay their taxes. During the relief period, the hungry thirties about which the Liberals talk so much, not one of these Italians took one cent of relief. They paid their own way and they came out with flying colours and we certainly appreciate it as citizens.

I was endeavouring to get some of their friends out here. There were many people they felt sorry for who had been left in the old land after the war. They were hard up and did not have enough to eat or wear. These boys were willing to put up money to bring their friends to Canada. The immigration inspector came up to see them and said, "You have got one out, you get another out; that is all you can get." They were told they had better go down to try all over again. I have brought five out in my own name because I am not afraid of bringing that kind of man to Canada, especially when his friends or relatives have been in this country for 20 years and had come through a period of hard times with flying colours and without asking for one cent of relief.

I had a little difficulty in connection with one Italian who had come to Canada some 40 years ago and who now lives in Lindsay. He married a Canadian girl, raised a family in that town and now owns his own home on a half or three-quarter acre of land in the best part of the town. His family has grown up. The oldest boys served in the first war while the younger ones served in the last war. They are all prosperous and have good jobs. Two of the older boys are engineers with the Canadian National Railways and have been for years. The younger boys have probably had better education and are holding better jobs. But they are all good citizens.

I have been endeavouring for nine months to bring out a nephew of that gentleman to Canada. I will agree that in the first place he made a mistake when he said he wanted this nephew to come out as a gardener. When the inspector came up and and saw only three-quarters of an acre of land he knew that that would not require a gardener. Then they got a farmer who is anxious to have this nephew come out to work for him. But so far permission has not been granted. This young man fought with the Canadian army in Italy and can speak English quite well but through some hitch in the department he is not permitted to come.

His relatives here are ready to sign papers that they will look after him for one year, five years or for the rest of his life, and besides that there is a job ready for him on a farm. The department has written letters and said that they are going to try to fix this up in a few days, but nearly nine months have passed. Having received such courteous treatment from the department I have been hesitant to go to the minister with the first bit of difficulty I have had, but if we do not get this man out I am going to the minister before the end of the session.

I should like to see selective immigration. I should like to see brought in English, Irish, Scotch, Dutch, Norwegian, Finnish and Italian people, but they should be carefully screened on the other side. There are thousands of these people who want to come to Canada. Millions of people in the old world know that Canada is the best country in which to live. They know that it is part of the old British commonwealth of nations. They know that when they come to Canada they are coming to a country that has freedom that cannot be equalled in any other country in the world.

Mr. Gauthier (Portneuf): Mr. Chairman, I have listened carefully to the speeches that have been delivered, especially that of the hon. member for Spadina. It is not my intention to make lengthy remarks on the subject of immigration, but I cannot say that I agree with the views expressed by the hon. member for Spadina when he asks for what I would term mass immigration. I have always been opposed to that kind of immigration and I still am. My stand in that connection has been well known. There are too many economic, political and social considerations involved in the matter to permit throwing caution to the winds.

A well organized, disciplined and cautiously worked out policy of immigration is necessary for any country. After practically every war there have been strong and urgent appeals for immigration, even for mass immigration such as has been advocated tonight by the hon. member for Spadina. Some of those who have been responsible for such appeals do not seem to think them out. For reasons which I shall not attempt to analyse here there seems to have existed what the medical profession would refer to as a neurosis. There are many neuroses in the world. Some are

known as social neuroses, others as revolutionary neuroses and there are other types of neurosis developed by national disaster. Then I think it might well be said that a certain neurosis exists in connection with some immigration policies. A human being is bound to be the victim of his own imagination if in time of trouble he does not look to the true source of relief, hence the reason he is at a loss so often when he needs the complete possession of all his faculties.

I remember that after this war considerable pressure was exercised upon the government, I shall not say to institute mass immigration but certainly to adopt a strong policy on immigration. I would not dare to say that that was a neurosis, but there certainly was a strong offensive to bring in immigrants by the hundreds of thousands. At times one would think that even air transportation was not sufficiently swift for certain people.

I think the government was wise in not yielding to the pressure for strong immigration. Quite apart from the lack of ship transportation, or even air transportation, the reasons could be easily and properly assessed when one stops to think of the state of the souls and minds of people in Europe at that time. Economic, political and social conditions were bad and while a country might be willing for humane and charitable reasons to receive unhappy and displaced persons, nevertheless it has a moral obligation towards its own citizens and should not lightly consider the bringing in of new citizens. I believe Canada did more than any other nation to provide relief and solace for thousands of human beings. If Churchill was amazed at our war effort, many others must have been amazed at the helping hand we offered to devastated areas as well as to devastated souls. But I think we still have as our first duty the protection of our country. We still have the right to choose those whom we are ready to receive, to whom we are ready to extend hospitality and make them new citizens of the happiest country in the world.

When I was listening to the hon. member for Spadina I was glad to hear him quote the words of the former prime minister, the Right Hon. W. L. Mackenzie King. I am going to quote Mackenzie King myself. Speaking on May 1, 1947, he said, as recorded at page 2646 of *Hansard*:

> With regard to the selection of immigrants, much has been said about discrimination. I wish to make it quite clear that Canada is perfectly within her rights in selecting the persons whom we regard as desirable future citizens.

He also said:

> There will . . . be general agreement with the view that the people of Canada do not wish, as a result of mass immigration, to make a fundamental alteration in the character of our population.

I believe those are very sound and accurate words as to the kind of immigrants that Canada should receive. If the country has a moral obligation towards its citizens as to the kind of immigrants they are ready to accept, at the same time we must not lose sight of the very important fact that we cannot receive more immigrants than the nation can absorb.

I was quite surprised to hear the hon. member for Spadina say tonight that 95,000 immigrants a year are not enough. If Canada is absorbing 95,000 immigrants a year then I say it cannot absorb one more without disrupting the economic and social conditions of our country to some extent. I think Mackenzie King was quite right in stating that we have a right to choose and that we cannot disrupt the fundamental features of the population of Canada. At the same time we must not forget the physical examination that all those selected as immigrants should be required to undergo. I have great confidence in the minister. He is a hard worker, and I think every aspect of the work under his jurdisdiction is as vital in importance to the country as it can be. I ask him to be most severe in the orders and regulations given to officials here and abroad for complete and persistent attention in the process of screening immigrants so as to have a complete picture of their religious, political and social affiliations, past and present, and also of their political activities and business connections. I emphasize the word "religious" because I believe that communism is a religion, and in screening immigrants on religious grounds you have to screen the communist immigrants who want to come here. I read a lecture given at McMaster university in April, 1949, by Miss Betty B. Robinson, Master of Arts, on the economic background of immigration. She said:

> It is better to be overcautious than to be reckless in the matter of immigration.

These are strong and accurate words. I should also like to quote Mr. James S. Duncan, who was quoted by the hon. member for Spadina, and who had this to say on the same occasion at McMaster university:

> A thoroughly competent and adequate organization in the British isles and Europe for screening, selecting and facilitating the movement to Canada of the best immigrant types . . . By all means let us screen and select those whom we desire among like-minded peoples.

As you can see, everyone speaking on the matter of immigration reveals a special interest that care should be taken in the screening and selection of our immigrants. Senator

Gouin, speaking on the same occasion, quoted in his lecture the memorandum of La Confederation des Travailleurs Catholiques du Canada presented to the dominion government. While opposed to all policies of mass immigration the confederation accepts that a selection may be made among war afflicted people to bring them in limited number to our country. I used to hold the same views years ago. I was absolutely opposed to immigration of any kind, but in studying immigration policies I have come to the conclusion that we have to admit—and everyone who knows anything about ethnology must admit—that there is a certain movement between nations of the world amounting to 25,000 or 30,000 people a year going or coming from one country to another. In accepting a certain movement of immigrants I think my stand is still reasonable. I ask the minister to give strong orders to his officials so that they will carefully screen immigrants coming to Canada. I believe our experience has been costly enough that we should not forget that side of the situation.

The confederation was answering, as were many others in French Canada, the appeal of Pius XII on behalf of displaced persons and orphans. This appeal has been underlined by Monseigneur Charbonneau, former bishop of Montreal, as reported by *l'Action Catholique* in August, 1947. If one reads carefully the speech of Senator Gouin at McMaster university—and I commend it to every member of the house—

Mr. Pouliot: And of the Senate too.

Mr. Gauthier (Portneuf): And of the Senate too—he will have a picture of the views on immigration policy expressed in the province of Quebec, a picture starting from the nineties and carrying on up till now. He will see that in the province of Quebec there are radical expressions of opinion as to immigration, and at the same time there are very reasonable and intelligent considerations of the subject.

No one could blame my French compatriots for showing a preference for French, Belgian, Dutch or Italian immigration. I was pleased to hear the hon. member who spoke before me ask for Italian immigration. I am always glad to hear that people like immigrants of Italian extraction. I am in favour of that to some extent. No one can blame my French compatriots for asking for Belgian or French immigrants. In doing so they simply follow the same path as other provinces in asking for immigrants from the British isles. There is nothing wrong about that on either side. It is quite natural. I have certain figures which I secured from the department in 1948. It is surprising to find that if Ontario, for example, shows a preference for British immigration it also accepts other racial origins. The table is as follows:

	1947		1948	
	Ontario	Quebec	Ontario	Quebec
French	341	542	373	1,115
Italians	173	67	2,192	757
Belgians	688	114	642	150
Dutch	1,990	172	4,901	318
British	24,226	4,542	29,975	4,612

In reading these figures very carefully we can see that Quebec has not been receiving such a large number of French, Italian or Belgian immigrants. In 1948 Ontario received four times as many Belgians as Quebec, and over ten times as many Dutch. *La Terre de Chez-Nous*, a French periodical issued by the Union Catholique des Cultivateurs, of Quebec had this to say in the issue of November 5, 1948. I do not read this in any critical sense, but merely to show the picture in Quebec province, because I believe the article gives a good résumé of the whole question. It was written after the announcement that French immigrants were to be on the same footing as Britishers. The article said:

(Translation):

It is not enough to have fairer immigration regulations. They must also be put to good use. Immigrants from France have access to our country just like those from England and the United States. Many French people wish to settle in Canada. This contribution from the mother country could be useful to us in a thousand ways. Here, however, the provincial authorities or some private organization would have to be willing to take care of them. What has been done in this respect? Silence is the only answer . . .

Again, in *La terre de chez nous*, one can read in the report of an inquiry conducted for *Le Devoir* by Mr. François Zalloni:

One wonders, finally, if now we will see the province of Quebec admit French immigrants in as large a number as the group of British people welcomed to Ontario. Observers feel that it is up to Mr. Duplessis and the industrialists of this province.

If British immigrants settled in great numbers in the neighbouring province, it is due to the fact that, first of all, Premier Drew went and fetched them in Great Britain and that, with the agreement of Ontario employers, he opened a provincial employment bureau for immigrants in London.

If we want the French to settle here, our government and our businessmen should do likewise. If we feel that recent immigration from Britain disrupts the ethnical balance of our country, the remedy lies, after all, in our own hands.

(Text):

I hope there will be no misunderstanding of my position on this matter. I simply wish to give the complete picture, and to show the different opinions that have been expressed in my province by different newspapers. In every expression of opinion can be detected the desire that the best possible choice be made, that the best methods be followed and that reasonable consideration be given to

such matters as mentality, way of life and way of thinking. I believe that is the right angle from which one must approach the question.

After these citizens are here it is our duty to show them that despite diversity of religion, language and tradition, Canada is proceeding toward complete unity of action. In Mr. Zalloni's report one perceives the lack of any organization to bring good and assimilable immigrants to Quebec. Here is a report from *Relations* of January, 1950:

(Translation):

We are not the ones who acknowledge these facts, who compare, proclaim and applaud; it is *Maclean's* magazine of December 15:

Relations quotes *Maclean's* magazine:

According to Premier Frost, the population of Ontario increases by 10,000 people a month and now exceeds four and a half million. The largest of our provinces keeps its lead; Quebec has less than 4 million people and its population increases by only 8,000 a month.

Autonomy allows others, smarter than we, to bring in reinforcements, tens of thousands of refugees, especially British or Dutch, who are well established on farms. The Pope has asked countries with vast territories to receive those who have none left, since that is better than almsgiving. Will Quebec therefore continually refuse to open its doors, its barricaded territories, even to our own kin?

(Text):

This quotation shows once more that prominent people of Quebec are ready to help these unhappy people find a new country and build a better life, and to deplore the ineptitude and indifference in some quarters in facing the situation intelligently and in a spirit of Christian charity. Not long ago the *Gazette* gave the views of prominent French newspapers in our province. The first was *Le Canada:*

The era of mass immigration to Canada has come to an end because the conditions that inspired it are no longer in force . . . but from the simple point of humanitarianism we cannot close our doors to foreigners who seek to establish themselves here. This does not mean we should accept anybody whatsoever, but we should exercise a judicious choice. Nor is the question of offering a welcome to these new Canadians something we should longer neglect. It is our duty to initiate them into the way Canadians live and to facilitate their assimilation. The new Minister of Immigration has a full enough program facing him and he will be able doubtlessly to rise to the heights of his task.

Then *Le Droit* had this to say:

It is to be regretted that similar steps are not being taken in Quebec as in Ontario to increase the population . . . There are not only Frenchmen, Italians and Belgians whom we could settle in Quebec. We are assured that it would be advantageous to welcome those Dutch Catholics who are desirous of settling in our country.

Do and say as we like, Canada will always receive immigrants, and if we do not make use of them for ourselves they will be made use of against us.

As you see, this newspaper speaks very frankly.

If Quebec had shown any vision, it would, during the last fifty years, have practised an intelligent policy in regard to population. This province does not lack wealth. It lacks only strong arms to exploit it.

Then *Le Soleil*:

It is impossible to oppose all immigration in principle, provided that it be reasonable, in good order, well selected and in no way directed against one of the two principal elements of the Canadian population. This is what our representatives in the Commons must say when the opportunity arises and they must demand a guarantee that immigration must be kept within fair limits if recruiting begins again.

I could give many other quotations to prove once more that it should be the care of everyone to maintain a fair balance between provinces, and at the same time get immigrants particularly likely to be assimilated in this or that region. And we must also be careful in our choice and screening abroad. I believe we had our lesson in the past. Without discriminating against any race or religion, it is our privilege to bring here only those whose political philosophy is not opposed to ours. Too often in the past—and I do not reproach anyone—have we received in good faith people who themselves were not frank and have not been grateful to Canada for the marvellous hospitality granted them.

The communist fifth column is always in action, and takes every possible means of increasing its effective number and efficiency in action. Everyone recalls the lottery which, international in scope, was discovered in Montreal before the Italian election. Its purpose was to provide funds for the Italian communists. The first prize was a thirty-day trip to Moscow. This lottery would have had no chance of success if its sponosors could not count on the activity of new immigrants. These people must have been well informed, because they knew where to go. Within our time we have had the declaration of Lieutenant General W. Anders, wartime Polish army leader, which reads as follows:

Communist agents disguised as refugees are entering Canada.

In a letter to Mr. MacNamara, deputy minister of labour, as reprinted in the Toronto *Star* of May 1, General Anders added:

Insufficiently screened persons are coming to Canada among Polish refugees and are creating ill feeling towards Polish immigrants as a whole.

I know personally that extreme caution has been the motto of both the departments of labour and immigration in the screening of immigrants. It would be impossible to create an air-tight wall against every undesirable entry. No nation can praise herself

for never having been deceived in that connection. But with strict orders and attention every minute, we can diminish the number of those whose patriotism does not even extend to the country of their adoption but to only one sovereignty, and I need not mention it by name. The question is not how many thousands of immigrants we are going to bring, but how many good immigrants are we going to accept? How many are fit to accept our way of living, our views on the democratic way of life? How many can be assimilated, and in what regions? It has been the experience in some districts, a somewhat costly experience, that many of those we have received have been a burden, and a source of trouble. Many have forgotten the manner in which we received them, and the welcome that was extended to them. They have turned their activities against the land of their adoption, and tried to sabotage our institutions. Let us not be too confident. Let the officials of the department be more and more cautious. The choice must be judicious, and the screening parsimonious.

Let me repeat the advice of Miss Betty B. Robinson:

> It is better to be overcautious than to be reckless in the matter of immigration.

If perchance someone cheats the screening, at the first sign of anti-Canadian activities he should be sent back where he belongs.

Mr. Pouliot: Mr. Chairman, it is timely to pay a tribute to the hon. member for Portneuf for his industry in compiling such data on immigration. He and the hon. member for Spadina are both specialists in immigration. They hold divergent views, and this illustrates the difficult task of the minister in deciding the issue. One thing struck me in the speech of the member for Portneuf. It was his contention that communism is a religion. If I read the dictionary I see that religion is the practice of sacred rights; one of the prevalent systems of faith and worship; human recognition of a superhuman controlling power, and especially of a personal God entitled to obedience; the effect of such recognition on the mental attitude, et cetera.

I do not understand how an atheist can be a religious man, but perhaps the communists are worshipping Stalin. He may be their god. In that connection they must be considered rather as pagans, but the pagans are religious too. What I cannot understand is how an atheist can be a religious man.

Mr. Gauthier (Portneuf): I can explain it to the hon. member if he wishes.

Mr. Pouliot: Yes.

[Mr. Gauthier (Portneuf).]

Mr. Gauthier (Portneuf): When you want to destroy the notion of God you have to develop a philosophy, or what I call a religion, to destroy the notion of God. You have to form what I call the anti-God religion, and that is what communism has done in the world. If my hon. friend will look more closely into communism, he will see that they have their god in Stalin. They have their thirteen apostles in the politburo. They have all the pictures of their saints and their god everywhere in the country. That is why I say it is a religion.

Mr. Pouliot: I appreciate what my hon. friend has said, but a religion is necessarily something positive, while atheism is the negation of a positive act, that of worshipping God or a superhuman being. I will tell my hon. friend that I am not a doctor of divinity, so I shall not proceed further with the matter.

Mr. Gauthier (Portneuf): They worship matter, materialism.

Mr. Pouliot: They worship the cinders of Lenin. I will tell you, sir, that it is very important to have men in this country to defend the people in a spiritual matter, in a religion that is in accordance with the statute passed a hundred years ago by the upper and lower provinces of Canada. This statute concerned the freedom of worship, and has been incorporated in the statutes of the province of Quebec and the province of Ontario. It is to the effect that we have freedom of religion in this country provided that the practice of this religion is not against the established order of this country. It is for this reason that the way the Doukhobors worship is not acceptable to us, and why there are punishments in their case.

It is most important to bring men from other countries who are worthy of being Canadians; whatever is their belief; whatever their race, provided they decide to become Canadians and consider this country as the country of their adoption just as the missionaries did in the early history of the colony. There was Monseigneur de Laval, the first bishop of Quebec, who belonged to one of the finest families in France. There was Monseigneur de Saint-Vallier, who was a chaplain in France. These men came to preach the gospel amongst the Indians. They sacrificed all the advantages and benefits they might had had in the old country, and came here to civilize the new world. They were true Canadians. They were French by birth but they were Canadians by spirit, and that is the type of men and women we want in this country.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we will take up the resolution to ratify the Niagara diversion treaty; then Bill No. 302, respecting defence supplies and projects. I do not know whether we shall follow this order. Then we shall go into supply and continue this interesting debate on immigration. If we get through we shall take up labour.

It being three minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF AGRICULTURE

Marketing service—

23. Marketing service administration, $162,006.

24. Agricultural economics, $438,225.

25. Dairy products, $654,876.

26. Subsidies for cold storage warehouses under the Cold Storage Act, and grants in the amounts detailed in the estimates, $644,159.

27. Fruit, vegetables and maple products, and honey, including grant of $5,000 to Canadian Horticultural council, $989,000.

28. Live stock and live stock products, $1,204,012.

29. Marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointment not to exceed $6,000, $100,000.

Terminable services—

30. Freight assistance on western feed grains, $5,000,000.

31. Agricultural lime assistance, $435,000.

32. Dairy products board, $22,000.

33. Meat board, including quality premiums on A and B1 grade hog carcasses, $5,854,633.

34. Special products board, $11,575.

Special—

35. To provide for assistance to encourage the improvement of cheese and cheese factories, $1,400,000.

36. To provide assistance for the replacement of maple production equipment, $500,000.

37. Agricultural Products Act—to provide for losses incurred in respect of the purchase, sale and export of agricultural products under the Agricultural Products Act, including authority for the Minister of Finance, at the request of the Minister of Agriculture, from time to time, to pay amounts in the aggregate not exceeding $40,000,000 out of any unappropriated money in the consolidated revenue fund as recoverable advances, $4,350,000.

38. For assistance in construction of potato warehouses under regulations to be approved by the governor in council, $100,000.

39. Prairie Farm Rehabilitation Act and water storage, $3,750,000.

40. Major irrigation and water conservation projects in the prairie provinces, $7,719,500.

41. Prairie Farm Assistance Act administration, $500,000.

42. Land protection, reclamation and development in British Columbia under such terms and conditions as may be approved by the governor in council, $900,000.

43. Land protection and reclamation; clearing and settlement of new lands under such terms and conditions as may be approved by the governor in council, $200,000.

44. Maritime Marshland Rehabilitation Act, $991,120.

45. To provide for administrative expenses, Agricultural Prices Support Act, 1944, $60,000.

HOUSE OF COMMONS

Wednesday, June 14, 1950

The house met at eleven o'clock.

PRIVILEGE

REFERENCE TO ARTICLE IN WINNIPEG "FREE PRESS" OF MAY 9

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I rise on a question of privilege. I am indifferent to the praise or slurs of the press, but there are times when a member of parliament must rise to protest against false insinuations. I would not have paid much attention to an article appearing on the editorial page of the Winnipeg *Free Press* of May 9 had it not been reproduced by the *Free Press Weekly* of Winnipeg, the Moncton *Daily Times*, the Fort William *Daily Times Journal* and the Woodstock, Ontario, *Daily Sentinel Review*.

The article to which I refer is entitled "Isolationist". It was written by one of those bloated and narrow-minded colonials who have an inferiority complex with regard to imperialism, and who try to forget it by going to the other extreme and trying to have the superiority complex of internationally-minded people.

In the editorial they describe me as being "highly intelligent". This is not a compliment, because when a man is intelligent it means only that he is normal. I remember saying that one day about the Postmaster General (Mr. Rinfret), and everyone applauded. I said it was no compliment to his illustrious predecessor.

But, sir, I come to the issue:

> Mr. Pouliot is a highly intelligent man, but his instinctive isolationism often warps his judgment.

In the latest edition of Funk and Wagnalls dictionary, published in 1949, I find this definition:

> One who advocates an isolated condition, especially of a nation or country, as regards alliances and relations with others.

This is not my case. But I believe in the sovereignty of Canada, and I do not believe that we should be under control of any so-called great nation. That is why the Atlantic pact is much superior to the United Nations organization. I remember, sir—

Mr. Speaker: Order. I think the hon. member should state his question of privilege.

Mr. Pouliot: Yes, sir. I remember that two years ago I was abused, with the leader of the Social Credit group, and my late and lamented friend, Mr. T. L. Church, for having said that the United Nations—

Mr. Speaker: Order. I think the hon. member has now stated his question of privilege. It would not be proper for him to go back to what happened two years ago.

Mr. Pouliot: Yes, sir; but I have been vindicated this week. I said at that time that the United Nations could not guarantee the future of the world. No later than Monday the Secretary of State for External Affairs (Mr. Pearson) said in Montreal that the United Nations could not guarantee the security of any country. It was late; I had said it two years ago, and it is such a long time ago that everybody has forgotten I said it then.

BANKING AND COMMERCE

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Hughes Cleaver (Halton) presented the fourth report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 304, for the relief of David Allan Ferguson.—Mr. Winkler.

Bill No. 305, for the relief of Ann Louise Fuller Brais.—Mr. Winkler.

Bill No. 306, for the relief of Helen Leola Davidson Hunter.—Mr. Winkler.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—SLIDE DETECTOR FENCES

Mr. Fulton:

1. Have the electric slide detector fences on the Canadian National Railways lines, Ashcroft subdivision, between mile 93·7 and mile 94·0, been rebuilt following damage done to them this past winter?

2. In how many cases since the initial installation of the fences have the block signals been caused to be placed at the danger position due to rocks or slides striking the fences?

Questions

Mr. Chevrier: The Canadian National Railways advise as follows:

1. The slide detector fences have been repaired and were restored to service on April 5, 1950.

2. There were twenty-three occasions on which the signals were placed in the "stop" position by the slide detector fence mechanism, when it was in normal operation. On seventeen of these occasions no evidence was found of any rocks having struck the fence. On three occasions small rocks were found in the ditch beside the slide fence, and on three occasions there was a large enough rock fall or slide to obstruct the track.

*CANADIAN NATIONAL RAILWAYS—LUMP SUM RETIREMENT ALLOWANCES

Mr. Knowles:

1. How many employees or officials of the Canadian National Railways, upon retirement, have been given lump sum retirement allowances (a) of more than $25,000, but less than $50,000; (b) of $50,000 or over, since January 1, 1930?

2. In what years were such lump sum retirement allowances made?

Mr. Chevrier: I should like to answer this question orally. It is obvious why the question is being asked. The subject matter was discussed at some length in the committee on railways and shipping, and after a statement had been made by the president of the Canadian National Railways the committee accepted that statement and felt that it should not insist on additional information. However, since then an hon. member of this house asked a similar question, to which I took objection on certain grounds, as may be found in *Hansard*. Later he moved a motion in which he asked for production of the amounts of the cheques that the Canadian National Railways had paid over a period of time, but that motion was negatived. I do not think it would be fair to answer this question when the hon. member has not been successful in getting the information. I suggest that the hon. member may feel like withdrawing the question.

Mr. Knowles: May I point out that the minister has already answered a similar question covering the brackets below $25,000? If it is possible to get that kind of information, I think it should be provided in these particular brackets, and the question should be answered.

Some hon. Members: Dropped.

Mr. Speaker: Dropped.

Mr. Knowles: No.

Mr. Speaker: I cannot require the minister to answer a question to the satisfaction of the hon. member who has asked it. The minister has given an answer. It may not be satisfactory to the hon. member, but so far as I am concerned I shall have to declare the question answered.

ST. CHARLES DE CAPLAN, QUE., WHARF

Mr. Courtemanche:

1. Were repairs made to the wharf at St. Charles de Caplan, Bonaventure county, Quebec, in 1947, 1948 and 1949?

2. If so, what was the cost of such work?

Mr. Fournier (Hull):

1. Yes.

2.

1947-48	$11,901.85
1948-49	12,992.84
1949-50	12,537.60
Total	$37,432.29

Mr. Courtemanche:

1. Between January 1, and May 1, 1950, did the Department of Public Works construct protection or wharf facilities at St. Charles de Caplan, county of Bonaventure, Quebec, in front or in the vicinity of the Henri Leblanc property, or Manoir St. Charles?

2. If so, what amount was expended?

3. Who was the foreman, what daily salary did he receive, and how long did he work?

Mr. Fournier (Hull):

1. Yes.

2. $2,999.81.

3. (a) Henri A. Leblanc; (b) $8; (c) December 15, 1949 to March 31, 1950.

FLOOD CONDITIONS—SOUTHERN MANITOBA—REMEDIAL MEASURES

Mr. Knowles:

1. Has the government received from the council of the city of Winnipeg a copy of a resolution dated May 29, 1950, urging the federal government to set up an engineering group to bring in recommendations and remedial measures to prevent a future Red river flood, and urging the federal government upon receipt of such recommendations to undertake the design and construction of the work so recommended?

2. If so, what reply has the government made thereto?

3. Is consideration being given to the request set out in such resolution?

Mr. St. Laurent:

1. Yes.

2. Letter of acknowledgment was sent to the Winnipeg city clerk dated June 8 informing him that the matter was being brought before the government.

3. Yes. The question of action which might be taken to prevent a recurrence of flooding in the Red river valley is under consideration by the federal government in consultation with the government of Manitoba.

CANADIAN NATIONAL RAILWAYS—POINT EDWARD, ONT., FREIGHT SHEDS

Mr. Murphy:

1. What are the names of the contractors engaged in the construction of the whole or any part of the Canadian National freight sheds at Point Edward, Ontario?
2. What are the names of those who submitted tenders for each contract, and the amount of each tender?
3. Was any contract awarded prior to the tenders being opened?
4. Was the lowest tender accepted? If not, for what reason?

Mr. Chevrier: This again is a question affecting the Canadian National Railways. It relates to the internal operation of the system, and it has always been the view of the management that it is not in the interests of the railway that they give information which falls within the category of ordinary business transactions and which their competitors or any other business organization would not be required to produce. For these reasons I would ask the hon. member if he would consent to withdrawing his question.

Mr. Speaker: Dropped.

Mr. Fraser: Under protest.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF TRANSPORT—EMPLOYEES AT GANDER, NFLD.

Mr. Noseworthy:

1. How many employees has the Department of Transport at Gander, Newfoundland?
2. What kind of work do they perform?
3. How many hours a week do they work?
4. What is the hourly rate of wages in the several work categories?

COUNT JACQUES DE BERNONVILLE

Mr. Gagnon:

1. Does the file relating to Major de Bernonville contain any evidence or information supplied by Jean Bradley, of Montreal?
2. Is the Royal Canadian Mounted Police, or the Department of Immigration, or any other agency of the federal government, in possession of any information on the said Jean Bradley?
3. If so, when was he admitted into Canada?
4. Is Jean Bradley his real name?
5. What is his nationality by birth?
6. Was he a member of the Red brigades during the Spanish civil war?

MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—POINT EDWARD, ONT., FREIGHT SHEDS

Mr. Murphy:

For a copy of all contracts for the construction of the whole or any part of the Canadian National freight sheds at Point Edward, Ontario.

Motions for Papers

Mr. Chevrier: The information sought by this motion is the same as that asked for in the question on the same subject that has just been dropped. Therefore I submit with deference that it should not pass, and perhaps the hon. member will consent to its withdrawal.

Mr. Speaker: Dropped.

S. S. "KINGSTON"

Mr. Knowles:

For a copy of all correspondence in the possession of the government relating to the sale of the former S.S. *Kingston;* also all correspondence relating to the refitting of this boat, also relating to any plans for putting it in operation again, including a copy of any correspondence protesting against putting this boat in operation again.

Mr. Chevrier: The Department of Transport has no information on file regarding the sale of S.S. *Kingston.* If the ship had been sold, there would be a transfer of registry in the department, and there is no such transfer or no indication of a transfer. The information I have, and I cannot control it, is that the vessel at present is being broken up for scrap. Under the circumstances perhaps the hon. gentleman will withdraw his question.

Mr. Speaker: Dropped.

NIAGARA DIVERSION TREATY

CANADA-UNITED STATES—APPROVAL OF RATIFICATION AND OF AGREEMENT BETWEEN CANADA AND ONTARIO

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

That it is expedient that the houses of parliament do approve the ratification, without reservation, of the Niagara diversion treaty between Canada and the United States of America, signed at Washington on February 27, 1950, and do approve an agreement between Canada and Ontario with respect to the said Niagara diversion treaty, signed at Toronto on March 27, 1950, and that this house do approve same.

Mr. Drew: Mr. Speaker, a situation has arisen which affects the privileges of and is a matter of great concern to all members of the house. The motion just moved, concerning which the minister will be explaining the subject matter to the house, is one of considerable importance, because it is more than just a question of the diversion of power water at Niagara. It relates to a proposal that the Prime Minister (Mr. St. Laurent) has very properly been pressing, the development of international power resources generally. In addition to this extremely important question, the next order of business involves probably the most important legislation that has been presented to the house during this session. Five committees are meeting today, three of them this morning. Without raising

any question at the moment about the circumstances which have led to this congestion of business, I submit that, while in respect to certain matters coming before us it is relatively easy to allocate to a limited number of members the task of dealing with them, the two resolutions I have mentioned are of such importance that every member should be permitted to be in the house to hear the explanations of the ministers concerned, and to take such part in the debates as may be regarded as appropriate.

With three committees actually called to meet at the present time, namely, banking and commerce, public accounts and radio broadcasting, and with others to meet later today, I submit that on subjects of this kind it is almost an affront to our responsibility as members that we should be called upon to leave the chamber when discussion of them is about to take place. Therefore I hope the house will concur in the motion I present that meetings of all committees be suspended until this afternoon.

Mr. Fournier (Hull): I have no objection to the suggestion, but it is a matter for the committees themselves. We have no authority in that regard. We would be ready to agree to it.

Mr. Drew: There may be certain technical problems in connection with the chairmanship of the committees, but I should imagine that the chairman would recognize the wish of the house if the government is prepared to consent to such a motion.

Mr. St. Laurent: I have no doubt the chairmen of the committees are present in the house, and that they will sense the desire of the house. I would hope that when their respective committees meet they might adjourn for the forenoon, as suggested by the leader of the opposition (Mr. Drew).

Mr. Speaker: It will be unnecessary for me to read again the motion of the Secretary of State for External Affairs (Mr. Pearson). We will proceed with the motion moved by him.

Mr. Cleaver: Before the matter is dealt with, as chairman of one of the committees I should like to say that we have witnesses from out of town attending our meeting who are here after notice. I think perhaps the public accounts committee might excuse the leader of the opposition from attending their meeting.

Mr. Ross (Souris): They would be pleased.

Mr. Drew: Since I made the motion, I am not going—

Mr. Maybank: Mr. Speaker, who has the floor?

[Mr. Drew.]

Mr. Speaker: Are we dealing with the motion of the Secretary of State for External Affairs?

Mr. Maybank: I wish to speak to the motion that has been moved by the leader of the opposition.

Mr. Speaker: Before the hon. member does so, I think I should allow the leader of the opposition to make another statement.

Mr. Drew: I simply want to say that I have no intention of dealing with the remark that was made, which I think was inappropriate to the manner in which I presented the suggestion. I would say, however, that while witnesses may have been brought here, the question of their not being heard until this afternoon is not comparable with the necessity of the elected representatives of the people of Canada hearing two of the most important discussions that will come before the house during the current session.

Mr. Maybank: Mr. Speaker, I have no doubt that every member of the radio committee would desire to be present during the discussion that is about to take place in the house. Certainly I would desire to be here. After considerable discussion a special witness from Toronto has been brought before the radio committee, a citizen who urged the committee to hear him. That was arranged, and the committee began to sit at ten o'clock this morning. It adjourned for the purpose of allowing members to come into the house for the orders of the day. Judging from the way the evidence of this gentleman has gone so far, in my estimation it is impossible for the examination of the witness to be concluded in a short time. Therefore I feel that, while every member of the radio committee would certainly like to be present in the house, it is their duty under the circumstances to attend the radio committee, and I feel it is my duty to be there. That is the situation confronting a good many members. I do not know whether there is any divergence of opinion between the leader of the opposition and myself on this point, but I think that Liberal members of the radio committee at any rate have enough confidence in their colleagues to trust them with the handling of the matter now before the house.

Mr. Picard: Mr. Speaker, as chairman of the public accounts committee I think I should be permitted to say that, in answer to the demand generally expressed by the house that the committee should carry on its work in a thorough manner this year, we have held quite a number of meetings. We sat earlier this morning and adjourned at eleven o'clock with the intention of resuming our sitting as soon as orders of the

day were taken up. We have witnesses before us. I know they can be called on another day, but the number of days before the end of the session is limited. We have undertaken to examine a certain matter thoroughly, and we are doing it. Therefore I do not think it would be fair to the committee if we accepted the motion of the leader of the opposition. Furthermore, this afternoon a meeting of the public accounts committee is being held to discuss its first interim report on a matter that has occupied fourteen meetings of the committee. The present session is nearing an end, and it is desirable that the report of the committee should be prepared and presented.

Mr. Knowles: I should like to suggest that a simple solution of the problem would be for the government to agree to defer the debate on the motion of the Secretary of State for External Affairs—

Some hon. Members: No.

Mr. Knowles: —and the debate on the defence supplies bill until a time that might be arranged by agreement among the various parties. There is plenty of work to do today in committee of supply.

Mr. Speaker: Order. There is nothing further that I can do about this matter. The house has heard what has been said by the Prime Minister, the Leader of the Opposition, and the committee chairmen. We will now proceed with the consideration of the motion moved by the Secretary of State for External Affairs.

Mr. Pearson: Mr. Speaker, in submitting this motion to the house for approval I should like to make a brief statement concerning it. I think it can be brief, because on February 27 I made a statement to the house with regard to the Niagara Diversion treaty, on the occasion of its signing in Washington, and I have not very much to add to what I said then.

Hon. members will recall that the purpose of this treaty is to provide for the permanent regulation of the diversion of water from the Niagara river for hydroelectric power, and to ensure the preservation of the scenic beauty of the Niagara river and Niagara falls.

The earliest regulations for the diversion of water at Niagara for power were contained in article V of the Boundary Waters treaty of 1909. By this treaty the United States was permitted to divert 20,000 cubic feet of water per second, and Canada 36,000 cubic feet per second. Although Canada was thus allowed to use more water than the United States, exports of power from Canada have resulted in a fairly equal division between the two countries of the use of Niagara water.

The growing demand for power during the second world war made additional diversions of water necessary. Canada was accordingly authorized to use a further 13,000 cubic feet per second, and the United States a further 12,500 cubic feet per second. These authorizations were made on a temporary basis only. Canada also undertook to divert 5,000 cubic feet of water per second into the great lakes system from the Albany river watershed through Long Lac and the Ogoki river, and was accordingly authorized to use this additional 5,000 cubic feet per second at Niagara. After the war the demand for hydroelectric power kept increasing. A permanent agreement on the use of Niagara river water was needed to permit the maximum development of power consistent with the preservation of the scenic spectacle of the falls. Discussions which were held in Washington last December resulted in the preparation of the Niagara Diversion treaty which was signed on February 27, 1950.

Previous agreements on the use of Niagara water simply specified the total amount of water each country could divert. Any water remaining would flow over the falls. In this treaty the procedure is reversed. Article IV reserves definite quantities of water for flow over the falls and through the rapids; and article V authorizes the use of all remaining water for power purposes. This method of approach provides for the most effective use of whatever water is available at any time, and for an appropriate division of that water between scenic and power purposes.

Article VI provides for equal division between the two countries of the water available for power purposes. This does not apply to the water that is added to the great lakes system through the Long Lac-Ogoki works; this water will still be used exclusively by Canada. Since Niagara water is for the first time to be divided equally, the United States government has been informed that when facilities have been constructed in the United States to make use of the full United States share of water, Canadian export licences then in effect will not be renewed unless circumstances existing in Canada at that time make such a course desirable.

Since the volume of water in the river fluctuates from time to time, and since definite amounts of water are reserved for scenic purposes, it is impossible to say just how much more water this treaty will make available for power generation. It is expected, however, that both countries will normally have the use of more water than before.

More important for Canada, perhaps, is the fact that the existing temporary arrangements are being superseded by a permanent agreement. This will make possible the construction of new power plants of the latest design, making more efficient use of the available water. For these two reasons this treaty is expected to result in a substantial increase in the supply of power at Niagara.

A thorough study of the scenic aspects of Niagara falls was conducted some years ago by a special international Niagara board, established by the United States and Canada. In its final report, in 1929, the board recommended the construction of remedial works to enhance the beauty of the falls by distributing the waters so as to produce an unbroken crestline on the falls. Some of these works were built during the war. Article II of this treaty provides for the completion of the works when suitable plans have been drawn up by the international joint commission and approved by the governments of the United States and Canada.

This treaty is of primary interest to the province of Ontario, and in its preparation we were greatly assisted by experts from that province. The chairman of the Hydro Electric Power Commission of Ontario and the chairman of the Niagara parks commission participated in the discussions in Washington, and helped us to conclude a treaty which meets with the approval of the government of Ontario.

On the Canadian side, the object of this treaty is to provide more power for Ontario, and it has been recognized by the province that any financial commitments that may be involved should be met by Ontario. The agreement between this government and the government of Ontario, which was signed on March 27, accordingly provides that Ontario will construct and pay for the Canadian share of the remedial works and satisfy any valid claims arising out of damage or injury to persons or property in Canada in connection with the construction and operation of these works. The government of Canada undertakes to consult the government of Ontario before giving approval to the recommendations of the international joint commission as to the nature and design of the remedial works. The government of Canada also promises to authorize the government of Ontario to divert the water made available to Canada by the treaty when it comes into force.

It is our hope, Mr. Speaker, that the Niagara Diversion treaty will be ratified in the near future by the United States, in order that the redevelopment of the power facilities at Niagara may be started as soon as possible.

[Mr. Pearson.]

I wish to emphasize, however, that this redevelopment at Niagara will not in any sense take the place of the power that we expect to obtain from the St. Lawrence river. We must have additional Niagara power now, and St. Lawrence power as soon as we can get it. For that purpose we should all be glad to see appropriate and early action taken in Washington in regard to the St. Lawrence power development scheme.

Mr. Gordon Graydon (Peel): Mr. Speaker, I had hoped that the business of the house might have been so arranged that the leader of the opposition (Mr. Drew), who has had wide experience in matters having to do with power development, and particularly in connection with this scheme, could have been here to make some observations which I am sure would have been interesting and helpful with respect to the resolution that has been presented by the Secretary of State for External Affairs (Mr. Pearson). At this time I have no intention of doing more than indicating the approval of our party of the proposed resolution.

I should like to re-echo the hope expressed by the Prime Minister (Mr. St. Laurent) from time to time in his addresses in the republic to the south, and reiterated by the minister of external affairs this morning, that the United States government will make a concerted attempt to see that the St. Lawrence waterway is developed in the near future. This should be done not only from the standpoint of the power needs of the provinces which would be contiguous to that development, but also because of certain other considerations which need not be mentioned at the moment but which are of vital importance to both nations in this critical period in international affairs. I believe it should be indicated that not only is the government anxious that the St. Lawrence seaway be proceeded with, but that it is the unanimous wish of this parliament that that should be done. I believe it is time we indicated to our great friends to the south—and they are great friends—that that is the wish of our people, not only in our own interests but in the interests of both countries, working toward the common goal of peace.

I have no intention of taking up the time of the house further in this connection, because the hon. member for York West (Mr. Adamson), who has made a close study of the matters which are mentioned in this resolution, will make some observations with regard to them. I shall therefore terminate my remarks at this point and leave the discussion of the subject, so far as our party is concerned, in the capable hands of the member for York West.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is unfortunate that this is another of those occasions on which there is not an opportunity to put questions to the minister. Once this motion passes at this stage, that is the end of it. I believe the minister does have the right under the rules of the house to speak at the end of the debate, and if I ask a few questions while I am speaking I hope the minister will take advantage of that opportunity to answer those questions, along with others that may be put by any speakers that follow.

Generally speaking, I want to indicate our support of this treaty, and I also want to add my word to what has already been said concerning the St. Lawrence river power development. I should like to express the hope that the voice of Canada in this regard is being heard by our friends to the south, and that it will not be too long before that project is undertaken. I could not help but wonder while the minister was speaking —and this is one of the questions I shall put to him—whether, had the St. Lawrence power project been undertaken, it would have been necessary to get this additional power at Niagara. I should be glad if the minister would deal with that when he speaks. Would it have been necessary to get any additional power under those circumstances, or might it still be necessary to get additional power but not to the extent as now seems to be required?

In connection with a matter of this kind we laymen have to take the word of the experts. I have in mind in particular the balance that I take it is being sought between the power needs and the preservation of the scenic beauty of the falls and the Niagara river and rapids. One can only hope that balance is being achieved by the figures that are set out in the treaty. When I read, for example, that there is to be reserved for the daylight hours, for a period of seven months of the year, water going over the falls to the extent of 100,000 cubic feet per second, I should like to know the present rate of flow in cubic feet per second. In other words, could we be given some idea of the extent to which the flow is cut down if the flow is reduced to the minimum figure suggested in this treaty? As I say, we have to take the word of the experts that they have found this to be a proper balance between these two aims. We certainly need the power, but I think all members will agree it would be a tragedy if our interest in and need for power were to lead us to the point of spoiling in any way one of the greatest scenic wonders in North America.

Is it so that under the terms of the treaty the reduction to 50,000 cubic feet per second can be made during the hours of darkness for the seven months referred to and for twenty-four hours per day during the other five months? I should also be interested in knowing whether or not plans have already been made to make use of the water surplus to the 100,000 cubic feet per second during the time specified, and whether power developments have been made for the use of the water surplus to the 50,000 cubic feet per second to which the flow can be reduced during the five winter months as well as during the hours of darkness in the summer months. The house should also be told how much additional power will be made available by the use of that extra water. What is the relationship between that additional power and the amount of power now being developed at Niagara?

I do not wish my questions to be interpreted as indicating that we are against this treaty. We are in favour of it, but it is only proper that we should indicate our concern that the balance referred to will be achieved. After all, it is our responsibility as members of parliament to be concerned about these matters. By asking these questions I believe I have indicated the difficulty with which we are faced when presented with a resolution which goes through only one stage. I hope the minister will solve that problem for us by answering the questions when he closes the debate.

With that, Mr. Speaker, and with my own endorsation of what has been said about securing early action on the St. Lawrence project, I wish to indicate our support of this treaty.

Mr. Rodney Adamson (York West): Mr. Speaker, I believe it is fitting that this resolution should be introduced today because, as I understand it, today marks the opening of the Tunnel power plant. I believe the first two units will be put on the line today. The Des Joachims power plant, which is nearing completion, is, next to the Niagara power plant, the largest development in Ontario. It is not as large as the Shipshaw but it is the largest single plant outside of Niagara on the Ontario Hydro Electric Power Commission system. I think the significant thing is that this house should realize what this means. The Hydro Electric Power Commission of Ontario have under construction not only the plant at Des Joachims but several others which will be put into operation this year or early next year. I will not go into the details as to the size and the number of kilowatts, because they are all given in the hydro electric power commission's report and

have been frequently commented upon by Mr. Saunders, the chairman of that commission. The significant thing for this house to realize at the moment is that, despite the full utilization of all the power plants now being constructed, the province of Ontario and the central part of Canada will again face a power shortage in the year 1957. Less than seven years from now all the available power in Ontario will be fully used, and unless our development in the central part of Canada is to be arrested, steps must immediately be taken to begin the construction of the St. Lawrence power project.

I want to deal briefly with the Niagara situation. The resolution does two things. First of all, it preserves the beauty of the falls. By a series of underwater weirs the flow of the falls at Niagara is made continuous from one edge of the river to the other. The geological history of Niagara falls has been that a great volume of the water was concentrated in a comparatively narrow trough, and the edges of the falls were beginning to be left a little bit bare. This had an unfortunate effect, in that as the volume of the water over the narrow trough increased, there was erosion of the central part of the falls. The centre part of Niagara, particularly the Horseshoe falls, was eating back at the rate of many feet a year, and intensifying the percentage of water which went over the narrow central trough. For that reason alone the work envisaged by this resolution is desirable, because the work to be done will not only stop the increased erosion but will preserve the beauty of the falls from now on. For that reason alone it is important.

There is, however, another reason. With the desperate shortage of power that there is at the present time, or that there will be in the comparatively near future, the efficiency of Niagara must be increased. As hon. members know, the head at Niagara itself is approximately 167 feet, whereas the head at Queenston, farther down the river, is 305 feet. In other words, the efficiency of a cubic foot of falling water is in the ratio of 167 to 305; or it produces at Queenston almost double the amount of electric power that it produces at Niagara falls. That fact in itself is an important consideration.

One of the unique things about the Niagara system is the evenness of flow. I have not before me the figures for the maximum and minimum flow, but the variation of flow in the Niagara river and in the St. Lawrence river—which is of course part of it—is about fifteen per cent to twenty per cent from the maximum to the minimum. The mean flow is about 300,000 cubic feet per second. The flow is amazingly constant. Those doing the work can count on this constant flow, and the engineers can design the structure with a great deal of accuracy. On other rivers, or on the average river, the flow in the springtime, in the freshet, will be sometimes ten, fifteen or twenty times the normal low water flow. To give you a small example of the variation, the Amazon, over a length of I think about 250 miles, where the river is a minimum width of 17 miles, rises sixty feet over the distance in the flood season.

As to the destruction of the beauty of Niagara, there is no possibility of that through this resolution. There is, however, something which I think must be emphasized. As I have mentioned, we are facing a power shortage of considerable magnitude in Canada today, despite the tremendously important new works which have been recently constructed. The St. Lawrence deep waterway is an integral part of the whole great lakes system, and the discussion of this resolution must also involve consideration of the St. Lawrence waterway and power project.

It is estimated that some 800,000 horsepower will be added to the Niagara system by the more efficient use of the water, as set out in this resolution. That, I suggest, gives some idea of the importance of electric power. At the same time however there is at this moment 2,200,000 horsepower going to waste on the St. Lawrence. Despite the fact that we have utilized the water in the purely Canadian Beauharnois section of the St. Lawrence, there is still between 2,000,000 and 2,500,000 horsepower going to waste on the St. Lawrence.

I do not want to introduce the other question specifically, but I have on the order paper a resolution which, I believe, I should read at this time. It is as follows:

That in the opinion of this house, the government should take into consideration the advisability of approving the application of the state of New York and the province of Ontario to proceed with the construction of hydroelectric works on the St. Lawrence river, with the proviso that such works be constructed in such a manner that should agreement between the United States of America and the Dominion of Canada ever be reached on the deep waterway, navigation facilities could be subsequently installed without interference with the continuous generation of electric power; that furthermore the design of structures would permit the continuance of the present 14-foot shallow draft navigation, the cost of such works to be met by the state of New York and the province of Ontario.

In the submission of the Hydro Electric Power Commission of Ontario to the international joint commission the agreement for continuous navigation was made by the Ontario Hydro Electric, who were willing to see to it that the structure should be such that the present 14-foot navigation would continue.

In the opinion of the engineers it would not be difficult to construct generating works so that the installation of a 27-foot or even 30-foot navigation would be comparatively simple.

I do not propose to discuss the navigation issue at the present time; but I do want to say that, despite the tremendous addition of power, we shall be forced to consider generating electricity by coal and by steam unless the St. Lawrence deep waterways project can be proceeded with in the comparatively near future—and by that I mean this year or next year. It is estimated that a kilowatt-hour can be produced on the St. Lawrence deep waterway system for 2·58 mills, whereas the cost of producing and delivering the same killowatt hour by coal would be 7.7 mills. In other words the cost of generating electricity by coal is approximately three times that of generating it by water.

If our industry is to be able to compete with industry in the rest of the world, then the one thing we must have is cheap electric power. To burden our industry now with an increase not of fifteen or twenty per cent but of possibly one hundred per cent, is going to level a very crippling blow against the whole Canadian economy. I emphasize this because hon. members should realize how tremendously important and serious this question is.

I have studied the manner in which this question has been handled by the United States Senate over a period of some years. Every president since President Hoover, and every major political party at every national convention, has gone on record as approving of the development of the St. Lawrence river. This was stressed by the late President Roosevelt, and was adopted at both the Republican and Democratic national conventions the year before last. Up to the moment it has been a major point in President Truman's policy. However, despite the overwhelming pressure for this development the political machinery of the United States Senate makes it virtually impossible to get this measure through. I do not want to be a pessimist, but I do feel that a small group in the United States Senate can and will hold up the development of the St. Lawrence deep waterway project, and the electric power resulting therefrom, for a considerable period of time. With the political complexion of the United States we must realize that there is no likelihood of having this development approved before we are faced with a major power shortage. There is no use waiting another two or three years, because we are going to need more power in seven years, and it takes from six to eight years to carry out the construction. Our time is running out.

I suggest to the government that they take this stand with regard to the development of the St. Lawrence deep waterway: If by such and such a time, setting a definite deadline, ratification is not forthcoming, the Canadian government will approve the development of this great project by the state of New York and the province of Ontario. The problem is not one that we can afford to let go much longer; the problem is one of immediate and pressing urgency.

Today Ontario has enough power, but with the increasing acceleration of the load caused by industrialization that power will run out about 1957, or possibly before. The generation of electricity by coal costs three times as much as it does by water. If the new iron ore discoveries and our primary steel industry are to be developed, we shall need even more power, I believe, than we estimate at the present time.

This is not only a matter of commercial importance; it is something that affects the economy and virtually the security of the North American continent. If we are to have a great steel industry it must be situated where it will be safe from enemy attack. We cannot afford a long ocean voyage for cargoes such as iron ore. I envisage the great developments in Quebec requiring the smelting be done in the upper lakes, and that would be impossible unless the St. Lawrence waterway is proceeded with. The whole development of that iron ore will be in jeopardy unless it can be transported to the upper lakes.

Mr. Kirk (Digby-Yarmouth): Send it to Nova Scotia.

Mr. Adamson: I am not going to speak about the Nova Scotia industry and the great difficulty in obtaining ore from Newfoundland.

Mr. Deputy Speaker: It seems to me the hon. member is getting out of order.

Mr. Adamson: An hon. member mentioned Nova Scotia. I do want to emphasize the importance of the government taking action in the near future. This proposed development will produce 800,000 additional horsepower, but that will be used up in seven years. The development of additional power and the provision of navigation to the great lakes should be proceeded with immediately. Having observed the strange method by which a small minority in the United States Senate can block legislation, not for one or two sessions but for twenty years, it seems to me that there is not much likelihood of this measure getting approval. I suggest to the government that they state definitely that we in Canada want this scheme to go through,

and that if we are blocked continuously we propose to act with the state of New York and the province of Ontario and proceed with the development of the St. Lawrence.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, as I represent one of the areas most vitally affected by the treaty before us today, I should like to express approval on behalf of the people on the Niagara frontier of the great development that is to take place in this area. As the hon. member for York West (Mr. Adamson) has said, this development will not detract in any way from the beauty of Niagara falls; in fact it will enhance it. This fact must be kept before us, because many tourists come to this area, and we should continue to develop that tourist business.

We should develop all the power potentials in this locality. More power is needed in Ontario, particularly along the Niagara frontier. In the past few years we have known of power shortages. We are told that we shall have more in the future. We need the power that will be developed by reason of this treaty. Since 1939 the area which I represent, and in addition the county of Welland and the area extending as far as the city of Hamilton, has experienced a great industrial development, possibly greater than any other part of Canada. In the years to come we shall be able to make use of the additional power that can be developed at Niagara.

I have read the treaty which is under discussion today, and my interpretation of it is that there will be no diversion of water for power purposes between Niagara falls and lake Ontario. In the district in which I live the opinion seems to have been formed that a diversion will take place somewhere near the village of Queenston in order that the flow of water may be used twice—in the Niagara river and in a diverted stream. It may be there are some technical difficulties in the way preventing this policy from being carried out. I am sure that many citizens of Canada, particularly of the Niagara area, would be interested to know whether there are technical difficulties, or what the reason is for the provision that no diversion shall take place between Niagara falls and lake Ontario. I am sure that the development at Niagara can be proceeded with immediately, and in addition to the great power development that will take place along the St. Lawrence river. We need both projects.

I desire to commend the stand taken by the Secretary of State for External Affairs (Mr. Pearson) and the great efforts he put forth in Washington to bring about the treaty.

Mr. F. S. Follwell (Hastings South): Mr. Speaker, as I am chairman of the utilities commission of my home city at the present time, and have had a great deal of experience with power shortages during the last few years in the province of Ontario, I feel I should be remiss if I did not rise at this time and congratulate the Secretary of State for External Affairs (Mr. Pearson) on the way in which he, on behalf of the government of Canada, has proceeded to bring about this treaty between the Dominion of Canada and the United States.

We were told that the power shortages were due to lack of water, but apparently we are not going to lack water from now on. From what has been said I understand that all the water will be used, other than what is necessary to retain the beauty of the falls. As has been pointed out by previous speakers, that will provide a great deal more horsepower for the use of the people of Ontario. I should like to congratulate the government and the minister, and I sincerely hope that the treaty will be made effective at the earliest possible date.

Mr. Pearson: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, there seems to be unanimity in the house as to the desirability of the treaty. There is little that I need add to what I have already said, but one or two questions have been raised, and possibly I should try to answer them before approval is given.

The hon. member for York West (Mr. Adamson) was good enough to bring his expert knowledge to bear on the matter, and I think he has dealt with some of the questions raised by the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member asked whether in the opinion of the government the treaty would have been necessary if we had been able to carry the St. Lawrence waterway negotiations to a successful conclusion. As has been indicated already by the hon. member for York West, the answer is yes; in our opinion it would have been necessary, not only because the power would be necessary irrespective of the other development, but also because the primary purpose of the treaty is to preserve the scenic beauty of Niagara falls.

As to the power aspect of the question, one must remember that if and when—and I prefer to emphasize "when"—the St. Lawrence negotiations are carried to a successful conclusion, the 5,000 cubic feet per second which are now diverted from lake Ogoki into the great lakes system, and which can now be used

by Canada, would have to be given up under this treaty. We would lose that quantity of power resources. It would also be desirable in other ways to have both treaties.

The hon. member for Winnipeg North Centre expressed the hope that the treaty under discussion would not do anything to prejudice the scenic beauty of the falls. I can assure him—and other hon. members have already so stated—that this will not be the case. We hope the contrary result will be achieved, and that the treaty will make more secure and enhance the value of what is after all a great national asset in which all Canadians take pride and from which we also derive some profit—the scenic beauty of Niagara falls.

The hon. member also inquired as to the present flow of water. I am informed that it is between 110,000 and 115,000 cubic feet per second after existing diversions are taken into account, depending on the season and the level of the lakes. It will of course be known to hon. members that article IV of the treaty deals with the question of the flow of water over the falls and its relation to scenic beauty. The period from April 1 to October 31 is the main tourist season at the falls, and for this reason the flow over the falls and through the rapids is to be 100,000 cubic feet per second in the hours of daylight. This is the flow which the special international Niagara board in 1929 considered to be the minimum essential for an adequate spectacle by day in the tourist season. In this treaty we have attempted to safeguard that position. Less water is needed at night because the beauty of the falls when artificially illuminated does not depend to such an extent on the volume of water as long as the flow is fairly evenly distributed across the width of the falls. From September 16 to October 31 the hours of daylight are appreciably less, and consequently the flow may be reduced at 8 p.m. instead of 10 p.m.

The hon. member for Winnipeg North Centre also asked me whether plans had been made for the use of water in excess of 100,000 cubic feet per second in summer or 50,000 in winter. The answer is that plans have been made by the Hydro Electric Power Commission of Ontario which will presumably use as much of this water as their plants can take at any one time. At this point I might express again the government's appreciation of the co-operation which we have received from the commission in the negotiation of the treaty.

A question was asked, and indeed an answer was given, as to how much additional power would be made available by the treaty. It has been suggested that it might be as high as 800,000 horsepower. I would not like to be as definite as that; I should think the answer will depend in part upon the plants the Hydro Electric Power Commission of Ontario decide to build, and in part upon the level of water in the Niagara river at any given time. One estimate I have heard is 500,000 horsepower, somewhat lower than that of the hon. member for York West, but in my statement I said that in our opinion there would be a substantial increase, which may be somewhere between those two figures. We hope it will be as great as possible.

In the discussion of this resolution it has been suggested that we as a government should once again bring to the attention of the United States authorities the very great political and economic importance to our two countries of proceeding with the St. Lawrence development. Certainly there does not seem to be any difference of opinion in this house on that matter. Personally I think that political and economic developments in recent years have made this matter of greater importance than ever before; and if any such assurance is needed I can assure the house that this government has taken every possible step to urge the government of the United States that action be taken without delay. At this time I do not think I need go into the details of this urging, because they will be apparent to hon. members. We still feel that way about it, and we hope that our feelings —and by "our" I mean not merely the government but this parliament and I believe this country—will be appreciated in Washington and action taken. I am not as pessimistic in that regard as the hon. member for York West. We hear a great deal these days about international point four programs for technical development, and they are important; I hope Washington will very soon show a realization of the importance of this point one program in the economic and political relationships between our two countries, and that action may soon be taken.

The hon. member suggested that if such action is not taken within a reasonable space of time we might indicate to the United States authorities that we should approve a power development alone on the St. Lawrence between the state of New York and the province of Ontario, to be carried out in such a way as not to prejudice any later navigational developments which it might be possible to bring about. As I have said, I am not as pessimistic as the hon. member in regard to action being taken on the larger scheme and I doubt whether it would be wise formally to take that stand at this time. I would remind the house that even if we did,

that would not remove the obstacle, if it is an obstacle, of federal authorization and approval by Washington of any action the state of New York might wish to take with the province of Ontario. I understand the state of New York has already approached the United States federal authorities with regard to this matter, and has not yet been able to secure their approval for a state-provincial power development alone on the St. Lawrence. Therefore unless approval could be obtained by the state of New York from the federal authorities in Washington, any expression of opinion on our part would be more or less academic.

Before resuming my seat I want to reiterate the importance we attach to the larger scheme, and our feeling that in ratifying this Niagara Diversion treaty we are not in any way minimizing the importance of the other scheme. As a matter of fact this gives us an opportunity to emphasize the great importance, politically and economically, we attach to the St. Lawrence seaway development.

Mr. Adamson: I should like to correct one statement by the minister, if I may. It is not the government of the United States that is holding up the St. Lawrence deep waterway. It is a group of—I hesitate to use the word—"maverick" senators who have continuously blocked this development, and apparently are prepared to go on doing so.

Mr. Pearson: There should not be any doubt as to what I meant on that point, because it is a matter of our relationship with the United States. Whatever may be the position behind the scenes, the fact remains that the Senate of the United States, which is an important part of the government of that country, for reasons which in its own opinion may be very good, has not yet seen fit to ratify the agreement.

Motion (Mr. Pearson) agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

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

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to issue securities not exceeding $24,582,489 in principal amount to provide the moneys necessary to meet capital expenditures made or capital indebtedness incurred during the calendar year 1950; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the making of temporary loans to the said company secured by such securities and not exceeding $24,582,489 in principal amount to enable the said company to meet such expenditures and indebtedness; with authority to give financial aid and assistance to other companies of the said national system and to authorize the Minister of Finance to place at the disposal of the national company or the Trans-Canada Air Lines, such amounts as may be necessary to enable them to pay operating and income charges if at any time before the first day of July, 1951, the available revenues of the national railway system or the Trans-Canada Air Lines and subsidiaries, respectively, are not sufficient to pay such charges: provided that all such amounts shall be reimbursed to the minister from the recipients' annual revenues in so far as such revenues are sufficient, any insufficiency to be provided for by subsequent deficit appropriations by parliament.

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

Mr. Macdonnell (Greenwood): My understanding is that this will be the Canadian National Railways bill—

Mr. Fournier (Hull): This is only the formal stage of the resolution.

Mr. Macdonnell (Greenwood): My understanding is that this is in the ordinary form, so we shall reserve any comments we have until the next stage is reached.

Mr. Speaker: The motion before the house is not debatable; it is that the house go into committee of the whole at the next sitting to consider the resolution.

Motion agreed to.

ORDERS IN COUNCIL

TABLING OF SUMMARY MAY 1, 1950 TO MAY 31, 1950

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, if I may have consent to revert for a moment to motions, I should like to table a summary of the orders in council passed from May 1 to May 31.

FISHERIES

NEWFOUNDLAND SALT CODFISH—DISPOSITION OF 1949 STOCKS—REPORT OF INVESTIGATORS

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to ask the parliamentary assistant to the Minister of Fisheries whether the investigator sent to Newfoundland to ascertain the quantity of 1949 salt codfish still on hand has reported, and, if so, what is the position.

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): The group of experts sent to Newfoundland to gather information as to the quantity of salt codfish left over from the 1949 catch and other relevant information have returned.

They have not yet been able to put their information in the form of a report for the prices support board, but they are working on it at the present time and probably it will be ready in a day or so.

DEFENCE SUPPLIES

PROVISION FOR PURCHASE OR ACQUISITION, STORING OF MATERIALS, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 302, respecting defence supplies and projects.

Mr. Green: Is the minister not making a statement?

Mr. Howe: I made a complete statement on the introduction of the resolution, and have nothing further to say at this time.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, this bill, which is to be known as the Defence Supplies Act, was described by the Minister of Trade and Commerce (Mr. Howe) the other day as a peacetime bill. The suggestion was made by opposition members that perhaps this bill was being introduced because a condition of emergency existed for Canada. Several times during the discussion, however, the minister denied that was so. I propose to refer to two or three of his statements to that effect.

One statement will be found at page 3480 of *Hansard* for June 12, 1950, where the minister interjected this remark during the course of a speech by the member for Rosetown-Biggar (Mr. Coldwell): "It is a peacetime bill." On page 3489 of the same volume of *Hansard* he said:

> If there were an emergency, we would not be passing this bill.

Incidentally, he indicated that in the event of a war being declared the government would bring down some other measure which it has in reserve. On the same page the minister said:

> . . . we believe that peacetime is restored to the extent that wartime powers should now be given up and replaced by peacetime powers.

On the next page, 3490, he said:

> But I repeat that what is before parliament now is a bill to govern peacetime purchases.

There cannot be the slightest doubt that the minister, on behalf of the government, presents this bill as a peacetime bill, and it must be considered as such. In doing so he claimed that instead of taking powers which were excessive, the bill divested him of power. When this particular minister starts to divest himself of power that will be a day that should be proclaimed a national holiday. There will be a blue moon in the sky. The very fact that he made that statement, having regard to the way in which he has accumulated powers during the last few years just as a ship accumulates barnacles, is sufficient to make the members of the opposition stop, look, and listen, and give careful study to the bill in order to ascertain how it happens that this minister is presumably divesting himself of any power.

The minister claims that this great divesting is of powers given to him under the Department of Munitions and Supply Act. Let us look at that act for a few moments. It was originally passed in the short war session in the fall of 1939. Members of this house who were here then will recall that we thought the bill, whoever was to be the minister, gave extremely sweeping powers. Even the government realized that, because a provision was written into the act that it should only be in effect for a period of three years. It was a wartime measure and nothing else. No legislator in Canada at that time believed that drastic powers of this type should be given to any government except under war conditions. The act was not actually proclaimed law until about six months later, on April 9, 1940.

In the fall session of 1940 an amendment was made to the act giving wider powers than those contained in the original bill, but again the restrictive time limit of three years was retained. In 1943 further amendments to the Department of Munitions and Supply Act were presented, and at that time the time limitation was wiped out. There is not the slightest doubt, however, that even in 1943, in the midst of the war, this measure was still regarded as a purely war measure.

It should be pointed out that the department of munitions and supply was in reality a part of the war department of Canada. The Department of National Defence gave the lead in one part of our country's war effort, and the department of munitions and supply co-operated with the defence department. I suggest that actually the defence department had the dominant role, quite properly, and the department of munitions and supply was merely helping the former department.

Mr. Knowles: It was really three departments.

Mr. Green: Yes; the Department of National Defence had three ministers at that time. The position is entirely different today. The Department of Trade and Commerce has not the same relationship to the Department of National Defence in any way, shape or form.

Then, let us trace what happened to these drastic wartime powers which were given to the department of munitions and supply. In 1944, when it was obvious that the war was drawing to an end, further power was taken by the government for the reconstruction period. This power will be found set out in the Department of Reconstruction Act, which was passed in 1944. Again that act was to be in force for a limited period. One of the sections defines the reconstruction period as the period from April 1, 1944, until some time in the year 1949, depending on the date on which the house was called into session during the latter year. The same minister who is now the Minister of Trade and Commerce and is introducing the bill we are debating was named minister of reconstruction in October of 1944. Speaking of powers, he was given powers under this act which are worth looking at today. In section 5(b) we find that he had this power:

(b) to co-ordinate the actions of other departments and agencies of the government of Canada for the purpose of ensuring that the transition from a wartime to a peacetime economy shall be effected as quickly and as smoothly as possible.

He was made a superminister at that time, and continued also with his powers as minister of munitions and supply.

In 1945 the department of reconstruction and supply was set up under another act. The new minister was to have these powers under section 6:

The minister shall have and may exercise and shall perform all and every of the rights, powers, duties, liabilities and functions which were, immediately prior to the coming into force of this section, by any act, order or regulation, vested in, or required to be exercised or performed by the minister of munitions and supply or the minister of reconstruction.

The same minister was sworn in as minister of reconstruction and supply on January 1, 1946. The department of reconstruction and supply continued until last fall, when it was abolished and the Department of Resources and Development set up, with powers more in line with what is proper in peacetime. In the meantime, on January 1, 1948, the present Minister of Trade and Commerce was appointed to that portfolio. Powers under the Department of Munitions and Supply Act were then no longer being used for current transactions. They may have been used to clean up old war transactions, but they were not being used for current transactions. Instead, for the last three years or more a government company known as the Canadian Commercial Corporation has been doing the buying for the Department of National Defence. When the minister spoke the other day he explained that position in his statement which is to be found at page 3490 of *Hansard*. Referring to the setting up of the Canadian Commercial Corporation, he said:

It was established about 1943 for the purpose of assisting foreign governments to purchase in Canada. It was not until 1946, I think, when the minister of munitions and supply—

Which was himself.

—was attempting to wind up his department; and, as this agency was working efficiently, it seemed logical at that time to transfer responsibility for the purchase of military materials from the minister of munitions and supply to the Minister of Trade and Commerce.

I emphasize the fact that the minister himself then stated that the work of the department of munitions and supply was being wound up. In 1947 an amendment was passed to the Canadian Commercial Corporation Act, giving that corporation power to act as a defence procurement agency. These powers given under the Department of Munitions and Supply Act to purchase defence supplies have therefore not been in use. The minister himself said that the other day, as reported at page 3489 of *Hansard*, in reply to a question by the hon. member for Greenwood (Mr. Macdonnell), referring to the Department of Munitions and Supply Act:

Mr. Macdonnell (Greenwood): Has it been availed of recently?
Mr. Howe: We have not been invoking it recently.

Nobody ever intended that those powers should be used in peacetime. Nobody in this parliament or in the last parliament had any idea that those drastic powers were being used; and as a matter of fact they have not been used for the last several years. Hence this talk by the Minister of Trade and Commerce of divesting himself of powers under this bill is misleading talk, because those powers have not been in use.

Mr. Howe: But the wartime powers have still been there. They have still been in the statutes since 1939.

Mr. Green: But they have not been in use. The question whether or not they have been in use is the main point. For the minister to try to justify the bringing in of this present bill with these far too drastic powers, by saying, Oh, there is an old law on the statute book and therefore I am giving up a lot of my powers, but I am taking on these new peacetime powers, is just evading the whole issue and is deceiving the house and the Canadian people.

Mr. Macdonnell (Greenwood): The statute is as dead as Queen Anne.

Mr. Howe: Is that so?

Mr. Green: For over three years the Department of Trade and Commerce has been the

procurement agency of the Department of National Defence, and apparently the work has been done without any difficulty. There has been no indication that there has been any inefficiency in this method and nobody can have any quarrel with the Department of Trade and Commerce doing the buying for the Department of National Defence. But now this government in peacetime is asking for powers which are excessive, unreasonable and dictatorial.

Just look at the powers taken under this bill. I am referring now to the government, because the government must stand behind this bill, although actually all those drastic powers are placed by the bill in the hands of this minister alone. There is the power of priorities. Where the government has a contract with a firm in Canada the minister can step in and say to the firm: Here, you may have a contract with somebody else, but you have got to break that contract with the other Canadians and supply the Canadian government first. There is the power to require the delivery of supplies that is contained in section 3 (1)(f) of the bill.

Mr. Speaker: Order. It might be better if the hon. member did not refer to the sections at this time.

Mr. Green: Very well, Mr. Speaker. But there is power taken to force anyone in Canada to sell defence supplies to the government; and defence supplies are so defined that they cover practically every kind of goods produced in Canada. There is wide open power to step in and force anybody in Canada to supply goods. Then there is power to get information, to go to any business firm in Canada and say: You must give us full information about what supplies you have and everything in connection with those supplies.

Then to cap it all, just in case something has been forgotten, in the last paragraph of this particular section there is power to—

—do such further things as may be authorized by the governor in council in regard to the procurement and disposal of defence supplies and projects.

There is power both to acquire goods and to sell them. The minister is taking the power to buy goods and then to turn around and sell them again—to buy and sell—governmental powers unheard of in peacetime in Canada. As I have said, they are all exercised by the Minister of Trade and Commerce.

Mr. Knowles: One o'clock.

Mr. Green: I should like to finish with this point now if I may. These are not powers for a short period. These are permanent powers, to remain on the statute books of Canada indefinitely. They will remain there until there is a new government which will repeal them. It is not a question of temporary powers; and all these powers I have mentioned are quite outside any control by the Department of National Defence. That department has no right whatever to interfere with the exercise of any of these powers.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. Green: Mr. Speaker, when the house took recess at one o'clock I had been pointing out our objection to this defence supplies bill, on the ground that the government is seeking excessive, unreasonable and dictatorial powers which are to be exercised largely by the Minister of Trade and Commerce. I had concluded that phase of my remarks by pointing out that the exercise of these powers was quite beyond any control by the Department of National Defence. I should like to go on now and place before Your Honour and the house several other serious objections to the bill.

I believe the Department of National Defence should either be in control of or at least associated in the exercise of any powers granted under the bill. Instead of that this war department is treated as though it were of secondary importance and merely incidental. We found in the resolution preceding the bill that the first powers mentioned were those far-reaching powers to be given to the Minister of Trade and Commerce, without any reference at all to the Department of National Defence. Then there was this further provision:

Also to empower the minister to buy or otherwise acquire defence supplies and construct or carry out projects required by the Department of National Defence.

In the bill itself this same treatment is meted out to that department. We find that after the chief powers have been set out in the bill, section 4 gives the Minister of Trade and Commerce exclusive power to do all the buying for the Department of National Defence. In effect the Department of Trade and Commerce, by reason of this bill, emerges as the supreme authority in connection with all defence purchases. It may be that that is one reason why the estimates of the Department of National Defence are worded in such an indefinite way this year. Perhaps the poor unfortunate Minister of National Defence does not know yet what the Department of Trade and Commerce is going to spend in buying defence supplies or erecting defence projects. The very fact that those estimates are worded in such a wide and indefinite way means that there is just that much

wider power given to the Minister of Trade and Commerce to spend money being voted for the Department of National Defence.

Another grave feature is that the bill is built around an individual minister, the present Minister of Trade and Commerce. That, I suggest, is both unwise and dangerous. The House of Commons should not enact legislation based upon the character and qualities of any one individual minister. Permanent legislation of this kind should not be concerned in any way with the personality of a minister. Yet this bill is obviously drawn for the present Minister of Trade and Commerce. Those powers are not given to him because he is Minister of Trade and Commerce; it is not because he holds that office; they are given to him because he has been exercising dictatorial powers for a long time, and that is the type of power he always requires to carry on business.

There will not be a future minister of trade and commerce who will want to have powers of this type in the purchase of defence supplies. Only a minister who had exercised wartime powers would ask in this time of peace for the powers contained in this bill.

Mr. Fraser: Or would have the nerve to ask for them.

Mr. Green: Yes, or would have the nerve to ask for them. The Minister of Trade and Commerce showed his attitude when he was speaking as reported at page 3473 of *Hansard*. At that point he was praising the Canadian people for having co-operated so well during the war. He said they really did not need much compulsion, but then went on to say this:

> Nevertheless, even with the best good will and co-operation on all sides, circumstances may still arise where some mandatory powers are needed.

In other words he wants to have a whip, and this bill provides him with that whip.

Not only is there unreasonable interference with the Department of National Defence, but this bill also enables the Minister of Trade and Commerce to interfere with the business of the Minister of Transport (Mr. Chevrier). Hon. members will notice the wide powers given by the bill to deal with the construction and even with the repair of ships. That is the business of the Minister of Transport; he is responsible for shipping and shipbuilding policies. The Minister of Trade and Commerce has no business to step into that field at all. Yet, here he is getting into it, in just the same way that he retains control over Trans-Canada Air Lines. That air line should not come under his department at all. It is a subsidiary of Canadian National Railways; yet while the Minister of Transport is responsible for the railway, we find the Minister of Trade and Commerce hanging on to the power over Trans-Canada Air Lines.

Another very serious matter is that the Minister of Trade and Commerce is the minister of elections of this government. He is the chief of staff of the Liberal party. In this bill we find him being given arbitrary powers over thousands and thousands of businessmen in this country. With the minister holding such power, naturally those men will hesitate to do anything which would offend the government. It is giving the Minister of Trade and Commerce power politically which no member of any government should possess.

Already the Minister of Trade and Commerce has tremendous power. I need only mention that in addition to his department he has control of the atomic energy control board; Canadian Patents and Development Limited; dominion coal board; Eldorado Mining and Refining, Limited; the national research council; Polymer Corporation, and as I have already mentioned, Trans-Canada Air Lines, and goodness knows how many other branches of government.

Mr. Howe: And doing very well.

Mr. Green: He seems to be responsible also for the administration of the combines act, or at least to think he is responsible. The next thing we know he will be telling the minister of external affairs what is to be done.

Mr. Knowles: Probably he has already.

Mr. Green: Instead of divesting the minister of power, this bill in effect is nothing more nor less than a refusal to give up wartime powers which should have been given up long ago.

If there are to be in peacetime these wide powers of requisitioning, they should be exercised by the cabinet and not by one minister. I would refer hon. members to the provisions of the Public Works Act, section 36, which incidentally is one section that the minister partly gets away from by this bill. That section reads:

> Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases
>
> (a) of pressing emergency in which delay would be injurious to the public interest; or
>
> (b) in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department; or
>
> (c) where the estimated cost of the work is less than five thousand dollars and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

Then there is another subsection which reads:

2. Whenever in case of any work tenders are required to be or are invited, the minister having charge of the department concerned shall submit all tenders received therefor to the governor in council and the contract for the work shall be awarded under the direction of the governor in council.

Those are the general provisions covering the letting of contracts by departments of the Canadian government. This bill gives far wider powers than are contained in the section I have just read. For example, the minister does not need to comply with that section of the Public Works Act if he thinks that a disclosure of the terms of a contract would be prejudicial to the interests of defence, or if the contract is to be exercised by one of the many crown companies, or if the contract is for the construction or repair of a ship; or—this is another blanket clause—the governor in council can say that any contract is exempt from these provisions.

The minister is also given powers under this new bill to enter into contracts on his own without any approval whatever by the government. For example, if he thinks a contract should be entered into immediately it does not need to be approved by his fellow members of the cabinet, or if the estimated expenditure does not exceed $15,000—hon. members will notice that the figure in the Public Works Act is $5,000—or if competitive tenders have been obtained and the lowest tender accepted involves an expenditure not exceeding $50,000. In those cases the minister is given this extra leeway.

I suggest that other members of the cabinet have a grave responsibility in connection with these defence contracts. They are not accepting that responsibility by allowing a bill of this kind to become law. Other members of the government are running away from their responsibility to the Canadian people.

By this measure the Canadian people are being asked to surrender part of their freedom in peacetime; at a time when the Minister of Trade and Commerce has insisted that there is no emergency. If we were in wartime or in time of emergency the attitude of the official opposition would be different. No matter what else may be charged against the Progressive Conservative party of Canada, no one can charge us with failing to stand behind every measure for the proper defence of this country. This is brought in as a peacetime measure, and the most serious aspect of the measure is that it takes away some freedom. During the war the Canadian people gave up their rights without question, but in peacetime the taking of these drastic powers is an unjustifiable interference with the rights of the Canadian people. This bill goes a long way toward establishing dictatorship in Canada.

Mr. McIvor: Of the right kind.

Mr. Green: The hon. member for Fort William says it is the right kind of dictatorship. He has been here a long time, and I have never yet seen him fail to spend most of his energies in the house in backing up anything the hon. member for Port Arthur, who is the Minister of Trade and Commerce, wanted to do or say. The hon. member even backed him up when it meant piping oil to Superior, Wisconsin, instead of to the lakehead in Canada.

This bill shows the arrogance of the present government. If the House of Commons were more evenly balanced the government would never dare bring in a measure of this kind. It is only because the House of Commons is so lop-sided that that is done. One reason for that situation is that during the election campaign the Minister of Trade and Commerce failed to tell the people facts which were facts, and several other ministers did the same thing. They got great support by reason of the misrepresentations that were made, or the failure to make any representations.

I repeat that the government would never have dared to bring in a measure of this type had the house not been so overwhelmingly Liberal. It is an indication of the trend toward a one-party state for Canada. One has only to read the speech delivered by the Prime Minister (Mr. St. Laurent) last Saturday before the National Liberal Federation to realize that he thinks that there is only one party in Canada. That is a dangerous frame of mind and bodes ill for the Canadian people. This measure can fairly be described as a menace to democratic government in Canada.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I have no apology to make for saying this was the right kind of dictatorship. The former minister of transport, the former minister of munitions and supply, the former minister of reconstruction and supply and the present Minister of Trade and Commerce (Mr. Howe) have given service to Canada that is second to none. This debate boils down to one thing: Can we trust the Minister of Trade and Commerce? We trusted him during the war, and he has grown since that time. At the close of his war work he could stand up in the house and defy any man to show where a dishonest dollar had been made, and that is the kind of dictatorship we want in Canada. Which is safer, Mr. Speaker, one man to buy for the Department of National Defence or

half a dozen men? There is no overlapping. If I wished I could give you an example of how the Minister of Trade and Commerce would not allow anybody to make a dishonest dollar.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am surprised that the hon. member for Fort William (Mr. McIvor) should say that we want any form of dictatorship. On the other hand, I was not surprised to hear the hon. member speak as he did because, so far as I can see since I have been in the house, his principal function has been to sing the amen chorus for the Liberal party. In rising to take part in the debate on this most important bill, I want to say before proceeding that I rise not only as a member of the house and of the C.C.F. group but also as a veteran who served Canada in the first world war, volunteered to serve in the second world war and who is willing to serve at any time in the necessary defence of this country.

Section 1 of the bill says that the act may be cited as the Defence Supplies Act, and the explanatory note reads as follows:

> The purpose of the bill is to repeal the Department of Munitions and Supply Act and the earlier Defence Purchases, Profits Control and Financing Act, 1939, and replace them by the Defence Supplies Act restricted to provisions that are necessary for defence purposes in peacetime.

Parnell, the radical Irish leader in the parliament of Great Britain, when he rose to speak on one occasion on a bill in connection with the Irish question, had this to say: "I smell a rat. I see it hovering in the air. I will nip it in the bud." In brief that illustrates the attitude of the party to which I belong as to the bill now before the house.

Mr. Browne (St. John's West): Was it not Sir Boyle Roche who said that rather than Parnell?

Mr. Knowles: It is the hon. member for Kootenay West (Mr. Herridge) who is saying it now.

Mr. Herridge: I think I am correct. What is the attitude of Canadians generally at this time? This is an important measure so far as they are concerned. I listened with a great deal of interest to the hon. member for Vancouver-Quadra (Mr. Green). He placed great emphasis upon the powers given to the Minister of Trade and Commerce (Mr. Howe) under the bill. I am going to approach the bill from a somewhat different point of view, and I trust I will not repeat the arguments of the hon. member for Vancouver-Quadra. The great majority of the Canadian people are most anxious to see peace in the world today. The great majority are loyal to our country, and if necessary would give their utmost in its defence. The great majority of the Canadian people know that wars of the past were, and wars of the future will be, caused by one of two things or both of them, the struggle for power and/or the struggle for possessions.

I believe the Prime Minister (Mr. St. Laurent), the Secretary of State for External Affairs (Mr. Pearson) and the Minister of National Defence (Mr. Claxton) are men who seek and desire peace. I believe they sincerely hope that the United Nations will function, and that somehow or other we can develop peaceful relations betwen the two great opposing forces in the world today. Nevertheless I am sure that if they are going to convince a considerable number of sincere Canadians of their sincerity in this regard they have got to do certain things that have not been done to date, and that are not provided for in one instance in the provisions of the bill. In order to convince the Canadian people that the government is doing all it can to work for world peace, I believe it has to demonstrate more fully that it is working to secure the implementation of article 2 of the Atlantic pact. I also believe that for the government to convince the vast majority of the Canadian people that it is working for peace it must make certain that no one shall profit out of preparations for the defence of Canada in the future. What is the attitude of the party to which I belong?

An hon. Member: You tell us.

Mr. Herridge: I will tell you. On January 31, 1949, my leader, when speaking in the house, placed on record the official policy of the C.C.F. with relation to the present international situation. At that time he had this to say, as recorded at page 92 of *Hansard*:

> The C.C.F. however, insist that such a pact should be based upon the broad principle so clearly stated in the Brussels treaty. It must provide for the fullest possible economic co-operation, aim at a high standard of living and increasing democracy in all participating countries, and thus give the western world the dynamic democratic leadership which is the only real answer to communism.

Further on he had this to say:

> The probable cost of the military and other commitments to this pact make more urgent than ever the immediate introduction of the C.C.F. policy to place the burden of taxation on those best able to bear it. It also emphasizes the need for measures of control over industry and production, which would allow for the effective planning and use of our resources to meet all our obligations and at the same time to develop a higher standard of living and social security for all our people. The C.C.F. affirms again that the best defence against communism and all forms of totalitarianism rests not on military might but on social justice.

On March 28, 1949, my leader had this to say, as reported at page 2074 of *Hansard*:

The proposed treaty, in article 2, pledges the parties to contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They pledge themselves to try to eliminate conflict in their international economic policies and to encourage economic collaboration between any or all of them. Indeed, in the opinion of the C.C.F., as it was of those who formulated the United Nations charter, plans for military aid and security are of little value unless based upon a determination to build by mutual agreement the positive social and economic conditions of peace which involve wide measures of international planning for the common good.

Every proposal to increase and distribute food supplies and other necessities of life is a proposal to remove the causes of discontent which, in turn, cause men to grasp the promises of dictators whether they are of the fascist or of the communist variety.

At page 2076 of *Hansard* for the same date he had this to say:

Then, too, because of our own geographical situation, our military preparedness would be a crippling burden to us. As a part of the North Atlantic fraternity both our danger and our burdens should be lessened. But whatever burdens in the field of defence are involved—and let me say this to the government with all the emphasis that I can give it—no one must be allowed to profit in the production of instruments of war. We urged before the last war that all munitions industries should be nationalized. We reiterate that now and demand that profiteering in related industries must be eliminated by every means at our disposal.

That is the attitude of the C.C.F. towards preparations for defence and the deficiencies exhibited in the bill. We are not alone in that; leaders of all parties have expressed their desire to see armament industries nationalized and to see the profits from the production of defence materials reduced. That view has been expressed by representatives of all great parties. The people of Canada have had experience in two major wars, and if this government is to convince them that we are sincere in our efforts to preserve world peace and that our preparations are purely on a defensive basis, in the opinion of this group we must do three things. First, we must do more to implement article 2 of the Atlantic treaty. Second, we must build social security in Canada more quickly. Third, we must take the profit out of preparations for defence.

Now I am going to quote some of the great leaders of the Liberal and Conservative parties. First I am going to quote the late Right Hon. William Ewart Gladstone, the great Victorian leader of the Liberal party in Great Britain. I am quite sure that even the anaemic descendants of that party in this house will still pay some attention to the words of that great statesman. I am quoting from the "Life of Gladstone" by John Morley, volume III, where Gladstone said:

. . . But one inevitable characteristic of modern war is that it is associated throughout, in all particulars, with a vast and most irregular formation of commercial enterprise. There is no incentive to Mammon-worship so remarkable as that which it affords. The political economy of war is now one of its most commanding aspects. Every farthing, with the smallest exceptions conceivable, of the scores or hundreds of millions which a war may cost, goes directly, and very violently, to stimulate production, though it is intended ultimately for waste or for destruction. Even apart from the fact that war suspends, ipso facto, every rule of public thrift, and tends to sap honesty itself in the use of the public treasure for which it makes such unbounded calls, it therefore is the greatest feeder of that lust of gold which we are told is the essence of commerce, though we had hoped it was only its occasional besetting sin. It is, however, more than this; for the regular commerce of peace is tameness itself compared with the gambling spirit which war, through the rapid shiftings and high prices which it brings, always introduces into trade. In its moral operation it more resembles, perhaps, the finding of a new gold field, than anything else.

Then I believe the hon. member for Vancouver-Quadra (Mr. Green) referred to the debate on a bill which was introduced in this house in March, 1939. I want to quote in part what was said by the late Right Hon. Ian Mackenzie when introducing that bill, as it appears at page 1767 of *Hansard* for 1939:

The government is determined that in peacetime, where private industry must be utilized, there shall be the strictest possible regulation of profits both in the interest of the taxpayer and in deference to public abhorrence of profits made from products which involve destruction of human lives and misery among nations.

It is obvious that in introducing this bill minus the restriction of five per cent on profits the government has forgotten the words of Right Hon. Ian Mackenzie on that occasion. Then speaking in the same debate the late Hon. R. J. Manion, then leader of the Conservative opposition, had this to say at page 1774 of *Hansard*:

It is suggested I proposed that there should be no profits at all in the manufacture of munitions in Canada; but a remark of mine quoted by the minister showed that I was open to conviction in the matter, because I pointed out the danger of the idea not working out, and I left a door open. I do not believe that we could eliminate profits one hundred per cent; but if the personnel of the munitions board is well chosen and endeavours to carry out the provisions of the legislation along the lines indicated by the minister, eliminating all but five per cent—which is eliminating ninety-five per cent of profit—that should satisfy the people of the country to a large extent.

There the leader of the Conservative opposition, speaking for that party, indicated that it would like profits on munitions and defence supplies limited to five per cent. Now I come to a quotation from the speech made during

the same debate by the present socialist Progressive Conservative member for Vancouver-Quadra at page 1787 of *Hansard*:

Sooner or later we shall have to face the question of how we are going to obtain these armaments. I suggest to the government that before they proceed any further with the present policy they should reconsider the whole question. They should arrange to use the dominion arsenals as Australia and the United Kingdom have done. I do not believe the Canadian people approve reliance being placed exclusively upon private firms for our armaments, and I do not believe they will tolerate, let alone approve, armament rings and armament trusts, which are likely to spring up as a result of the government's policy. On the other hand, I have no doubt our people would be solidly behind a policy such as that adopted by Australia and the United Kingdom, even though this policy required in the beginning a heavier capital outlay than does the present policy; the government have at hand the means of raising the money under their new plan for financing capital expenditures on a ten-year basis. I suggest that in dealing with this very important problem the government show a little more of the foresight and initiative and courage of the individual Canadian.

Today the hon. member for Vancouver-Quadra largely confined his remarks to a very justifiable criticism of the enormous powers given the minister, but I noticed that he did not suggest there should be some socialization of the armament industry or of the industries producing defence supplies.

Now I should like to conclude my references, and my support of the argument we advance in this connection, with a few quotations from an article that appeared in *Maclean's* magazine of August 1, 1931. The article is headed, "Salesmen of death. The truth about war makers, by Lieutenant Colonel George A. Drew." In this article I find the strongest arguments in favour of the C.C.F. approach to the munitions problem that have been given in printed form by a member of any other party in this country. The subheading reads, "A plain-spoken denunciation of an armament industry which makes wars to make money . . . 'this Frankenstein monster must be smashed or it will smash civilization.' ". The article goes on:

Strangely enough, in all the discussions which have taken place in anticipation of the conference which is now but a few months away, the outstanding lesson of the last great Geneva—the naval disarmament conference of 1927—had apparently been completely ignored. That lesson, which is of the utmost practical importance in preparing for the next conference, lay in the disclosure that behind national competition in armaments and navies lies a vicious commercial competition of armament and shipbuilding companies which seek to promote international ill will for the purpose of preserving a ready market for the death-dealing equipment they produce. The lesson of that conference was perfectly clear; that private profit in the production of armament furnishes one of the most active sources of international friction, which can be removed only by some form of national ownership which would eliminate the personal advantages resulting from sales.

It was only to be expected that a very definite limitation should be placed on the possibility of personal profit from this enormous national demand, and in 1915 all armament factories were placed under government control by the Munitions Act, and the public assured that the profits of the industry were strictly controlled by the newly created ministry of munitions which had been placed under the dynamic leadership of David Lloyd George.

It is vitally important, for the purpose of understanding the sinister possibilities of private interest in the production of arms, that the public know what an utter sham this supposed control actually amounted to. True, the profits were controlled, but only to the extent that they were not to exceed twenty per cent, which was the average profit of the English armament companies in the years prior to the war. What this profit amounted to may be appreciated by remembering that the artillery ammunition alone shipped from England to France during the war had a value of over $4 billion. The profits on this one item amounted to something like $800 million. The story was very much the same in all the warring countries except that in the United States the percentage was even higher.

Who received the benefit of these enormous profits? Primarily, of course, it was men like Zaharoff who emerged from the war probably the wealthiest man in Europe. But this rich harvest was also shared by bishops, cabinet ministers, members of parliament, and men prominent in all walks of life. These were the financial results. What of the causes?

Further along the article continues:

Several years before the war, when Sir Frederick Borden, then minister of militia in the Laurier government, and Hon. Louis Philippe Brodeur who was later minister of naval affairs, were in London, they were lavishly entertained by officials of Vickers Limited. At dinner in the Carlton hotel one night, Mr. Brodeur was astonished at a remark made by their host who had been complaining bitterly of Premier Campbell-Bannerman's attitude toward disarmament. "Business is bad," he said. "How could it be otherwise with a man like Campbell-Bannerman in office? Why, we haven't had a war for seven years!" He made a similar comment later to Sir Frederick Borden and two of his colleagues in the cabinet, both of whom are still living, saying that the government were a hopeless lot, and that the empire was going to the dogs as there had been no war for several years and there was not even one small war in prospect. These conversations made a profound impression on Sir Wilfrid Laurier to whom they were later repeated, indicating as they did with such surprising frankness the attitude of one of England's greatest armament producers towards the disarmament proposals of Campbell-Bannerman.

Before proceeding to read another extract or two, Mr. Speaker, I want to say that Campbell-Bannerman was a Victorian Liberal who practised Liberal principles to the full. As I said before, I am sure that if some of the anaemic descendants of the great Liberals of the Victorian period were to follow more closely in the footsteps of their ancestors, this house would be presented with bills different from this one.

I continue to quote from the article:

An examination of this summary shows that while the production of the forty-eight allied companies covers an extremely wide field, most of the things they produce are necessary equipment for the modern war of machines either at the front or in the complicated supporting organizations. Significantly enough, armaments and shipbuilding occupy first place. Most other armament companies throughout the world are similarly interlocked with apparently peaceful enterprises.

This presents a real difficulty that must be faced. Any suggestion of the nationalization of armament production will undoubtedly be met by the owners with the argument that these great corporations are essentially makers of peace and not war material, and that the severance of their interdependent interests would threaten the financial security of industries upon which so many thousands of workers depend for their livelihood. Probably the reorganizations necessary would entail some hardship, although it is not suggested that the armament factories be confiscated but only that they be expropriated under proper terms of compensation. But no matter what temporary inconveniences be involved this is merely a matter of detail that should not in any way be permitted to obscure the main issue, which is simply whether it is, or is not, advisable to permit the manufacture of arms and armament by companies whose selling policies are determined by the desire for profits and not in any way measured by actual national requirements.

I want to say, Mr. Speaker, that we are glad to have the support of the leader of the Progressive Conservative party for the nationalization of the armament industry, and the nationalization of industries producing defence supplies.

Then he goes on to say:

It is not suggested that national ownership of the armament industry throughout the world is a panacea which will cure all international strife. There are national prejudices and age-long suspicions which will always be difficult to overcome, but these suspicions and hatreds can be overcome by education in time if they are not constantly brought to the boiling point with insidious propaganda spread by those whose business would disappear if anything approaching an effective agreement to submit to international arbitration were even achieved. Just so long, therefore, as these companies continue to be operated for profit will they continue to employ the methods of persuasion in high quarters which they have found so effective.

At another point the article states:

One serious obstacle that must be overcome in convincing the people of the world that disarmament is everybody's business is the cynical attitude which is all too common that war is an inevitable evil and that the most we can do is to postpone it as long as possible and, when the time does come, hope to be just a little better armed than our enemy. Hand in hand with this attitude is the belief that we maintain peace by being better armed than our neighbour and thus preventing attack. An excellent example of this point of view is furnished in the following extract from an editorial in the Canadian Defence Quarterly of April, 1931:

"The world today has prohibited aggressive warfare but defensive wars are permitted; therefore, the nations still regard the use of armaments as the ultimate instrument of national security. So long as this condition remains, human nature decrees that each nation will strive to be armed with armament superior in quality, and if possible quantity, to that of other nations. It is doubtful, therefore, if nations would forgo the abundant benefits which result from private enterprise in the armament field."

It is interesting to note in this article from the Canadian Defence Quarterly that even the defence department is aware of the abundant benefits which result from private enterprise in the armament field.

The article concludes with these words:

Words like these have been repeated so often that they have acquired general acceptance without any appreciation of their full import. No one, yet, has been able to demonstrate the "abundant benefits" resulting from private enterprise in the armament field, unless they be the enormous increase in the casualties to all combatants, or the huge profits acquired by men like Zaharoff, Krupp, Schneider and Grace.

Mr. Speaker, the present leader of the Progressive Conservative party has written an article of great interest at this time. I quoted the article to indicate that at least when he wrote it he believed in the nationalization or public ownership of the armament industry, and those industries producing defence armaments. There is no question about it; I believe that other governments have done better than Canada in this regard. For example, the government of Australia, as mentioned by the member for Vancouver-Quadra (Mr. Green), has advanced farther in the public ownership of certain armament industries. In Great Britain much more has been done in that direction.

I listened with a great deal of interest to the explanation given by the minister for dropping the former five per cent clause respecting the limitation on profits. I believe the minister's explanation was the clearest and most logical explanation we have heard of that clause. I quite agree with the reasons for dropping the clause when the clause was phrased as it was, and one had to take into account the capital used in the production of the armaments or goods supplied. We in this group would like to see an amended clause inserted in the bill clearly restricting the profits on defence supplies to five per cent.

In general, Mr. Speaker, this group believes in the principle of public ownership. While we believe there are certain major industries that should be brought under public ownership in the near future, we certainly believe that any industry producing armaments or war supplies directly should be brought under full public ownership at this time. At least if this government is going to convince the Canadian people that groups of people in this country are not going to profit largely from the supplying of these armaments and goods, there should be introduced into this bill a five per cent limitation on profits.

Therefore, Mr. Speaker, in criticizing this bill we in this group believe first of all that the bill gives the minister too much power. I am not going further into that matter. We do not criticize the amount of power given to the minister on quite the same grounds as those mentioned by the hon. member for Vancouver-Quadra (Mr. Green). But when one looks at the bill and sees the powers given in section 3, on reading that section carefully one realizes the enormous powers given therein to one minister of this cabinet.

If this bill is to create in the minds of the Canadian people confidence in the desire of the leaders of this government, and of this government itself, to work for world peace and to prevent the building up of profits from the supplying of defence armaments and supplies, we believe there should be a clause limiting at least the profits on those armaments and supplies to five per cent. I am sure that nothing less will satisfy the Canadian people in this respect. Nothing less will give them confidence in the policy of this government and nothing less will be keeping faith with our affirmations, our beliefs and those of the Canadian people.

Mr. Solon E. Low (Peace River): When one reads a bill of this kind, Mr. Speaker, he is lead to exclaim, as a good many people throughout the country are now exclaiming: What is happening to our democracy? I draw to the minister's attention an article which was published in *Maclean's* magazine on the 15th of this month, in which his own picture appeared and in which certain statements are made with regard to the fate of democracy in Canada, and I would ask him to consider that article not as something facetious, not as having merely entertainment value but as being the consolidation of the opinions of a great many people throughout this country.

When the resolution preceding this bill was before the house I said that I was surprised that the minister would allow himself to be brought under the criticism which would inevitably come to him if this bill were to be introduced. My reasons for saying that are these. I want to assure the minister, Mr. Speaker, that I have regard for him and for his ability and that anything I say here today is not said by way of personal criticism of the minister at all. What I want to assure the house about is that I am opposed to granting to any minister, I do not care who he is, the sweeping economic powers which this bill proposes to grant to the Minister of Trade and Commerce (Mr. Howe). My reason for opposing the granting of such sweeping powers is that it is not in the interest of democracy in peacetime to do so. We must believe in democracy. Otherwise we are a bunch of hypocrites. We talk about it enough and we try to act as if we are operating a true democracy. But when the government brings before parliament a bill of this kind, proposing to grant to any single individual sweeping powers, the extent of which I shall recite briefly in a moment, then I say to you, Mr. Speaker, there simply cannot but be the shadow, and a mighty thin one at that, of true democracy.

Why do I say that there are sweeping powers proposed in this bill? I heard the minister say the other day, speaking on the resolution, that this bill proposes to reduce the powers that he already had under certain other acts, including the Defence Purchases Act, the Department of Munitions and Supply Act and so on. That may be so; it probably is so. But that is no argument for granting at this time the powers that are included in Bill No. 302 unless, as I said the other day, the minister is prepared to show to the house and to the country that we face a real emergency.

I thought that the minister would give a statement to the house on motion for second reading of the bill in order further to clarify the situation as a result of the request that some of us made the other day about this business of an emergency. To take a look at the bill for one moment, and without dealing in detail with any of the specific clauses of it, here are some of the powers that it is proposed that we should grant to the minister. Under different types of circumstances, we propose to give to the minister the power to requisition or to expropriate anything that he sees fit to requisition or to expropriate and which he, in his opinion, feels would be necessary for the defence of this realm. That does not exclude anything, including the suit on your back or the machinery you may have in your shop.

Mr. Howe: That is going to extremes.

Mr. Low: I will admit that that is carrying it to the extreme limit; I agree; and perhaps the minister would not do that. But just the same, we are giving him the power to do that. If we are giving him the power, then there is nothing that he could not do if the proper occasion arose or if the proper combination of circumstances came about. Not only are we giving him the power to requisition or to expropriate in any way he desires or to buy anything that he thinks is necessary for the defence of the realm, but we are also giving him the power to do it at a price which he himself sets; and there is no recourse against his decision, except perhaps a costly reference to the exchequer court.

Mr. Fulton: On such terms as the minister may decide.

Mr. Low: Yes, on such terms as the minister himself may decide. That is not democracy. That is far too sweeping a power to give any man in peacetime. By the way, those who wish to get evidence of the truth of the things I have just said, have only to refer to clause 3 of the bill, with its various subdivisions.

Then there is another thing. This bill proposes to give the minister the power to compel any manager of a factory, or any board that is operating in this country a factory, an industry or a business dealing in defence materials or materials which may be required for defence, to give to the minister any information he may desire; and the only undertaking that the minister has to give is that he will not tell anybody about it. I think that is carrying the powers of any man to lengths which should never even be dreamed of in peacetime. It is all right in wartime, where we are facing real dangers, and where things have to be done quickly, for us to clothe our ministers of the crown with power to get things done, and to get information when they desire it. Certainly so; but in peacetime a minister of the crown ought to depend upon the natural processes of voluntary information, and not clothe himself with power to nose into things, when he thinks it is necessary for him to know about the business of any corporation in this country.

Through the power given the Minister of Trade and Commerce in this bill he can negotiate any contract of any kind for defence purchases, without consulting even the members of his cabinet, and certainly without consulting members of parliament. Well, if that is not a dictatorial power, I have never heard of one. Why should any minister be granted power of that kind in a time of peace? Why should all that power be vested in one man?

Of course the minister will claim he will not do it alone, and that he will have a board, perhaps, or that perhaps he will have the help of the governor in council. Provision is made in the bill that the governor in council may appoint assistants; but it does not say that they shall, or that it is necessary, or that the minister cannot negotiate contracts, make purchases or requisition materials without consulting the cabinet or without consulting parliament—not by any means.

That carries the thing absolutely too far. Section 4 of the bill states that the minister shall have exclusive right or authority to buy or otherwise to acquire defence supplies, and to construct or carry out projects required by the Department of National Defence. That clothes him, alone, with that authority; and it cuts out any other possibility of consultation or assistance. No one else can possibly run any competition—not even the Minister of National Defence (Mr. Claxton), who is supposed to be running the Department of National Defence for the people of Canada.

I believe that defence purchases, just in the same manner as any other purchases, made by a government or for or on behalf of any government, ought to be made through a purchasing or requisitioning commission. I do not think any one person in any government should even ask for those powers. In years gone by a good deal of suspicion has gone along with the concentration of purchasing power in the hands of one or just a few individuals in the government. Everyone knows about the suspicions that always attend such things. In years past most governments that have valued their standing, and that have been anxious about the operation of true democracy, have set up purchasing commissions that were independent of political interference, to do their purchasing, so as to shun the very appearance of evil.

Well, I am surprised that the Minister of Trade and Commerce would allow himself to be put in a position where the appearance of evil goes stalking after him, and will accompany him every step that he goes, so long as this measure is in force, and his name is set down as the exclusive authority for the purchase of defence supplies.

I believe the wise course in any event is to set up a commission and to clothe it with the necessary powers to make purchases—to do it quickly, to do it properly, and to render accounts as quickly as possible both to the cabinet and to members of parliament. We had a perfectly good corporation for doing that sort of thing. I understand the Canadian Commercial Corporation has been doing a good deal of purchasing of defence supplies for the government. When the other day we were discussing the resolution preceding the bill, I asked the minister to tell the house wherein the Canadian Commercial Corporation had failed to do its job, and why it was thought that that corporation was not able now to do the work efficiently.

I must say that although I reserved my decisions with respect to the bill, I said the other day that I would withhold any decision, and until such time as I had heard the minister reply to some of the questions asked, or such time as he had made a statement satisfying me, I could not possibly say whether I could support the bill. Having reserved my decision, and having now read

the bill, and having heard nothing whatsoever to allay my fears, I cannot do anything but say that I most certainly oppose the bill with all my strength—and I am speaking for this group.

I believe in true democracy. I believe that in peacetime or any time other than a time of emergency, we should not clothe any man or any small group of men with authority to do arbitrarily what they alone think ought to be done for the defence of the realm or in any other way. I believe every man must render account to the representatives of the people; no man can set himself above the law. Every official of government and every minister of the crown must concede that he cannot or should not, under the rule of law, do anything except that which the will of the people demands that he do.

I am asking the minister now if he has any requests from the people of Canada to clothe him with this power. If he has not, then I ask him by what right he is bringing in this bill to clothe himself with these powers. I ask the government and his colleagues to come to his defence and to show any good reason as to why the Minister of Trade and Commerce ought to have or ask for such sweeping powers as are contained in this bill. And until such time as the people of Canada have asked that such wide and broad powers be given to him, I can only assume that they have not desired it and, for that if for no other reason, I would oppose the bill.

I do not intend to enter into any debate on the philosophical aspect of defence procurement, or anything else. I said the other day that I still have faith in private enterprise and in its ability to produce as, when and where required for the defence of the realm. But I do say that where private enterprise has failed in the past to produce and to deliver as, when and where required, it may be necessary for the government to set up some enterprise such as was done at Sarnia for the production of synthetic rubber. I think that that is all right. But I certainly oppose the government's acquiring all those industries in Canada that may contribute materials for defence or other purposes.

I shall have to say without qualification that we are in opposition to the bill, and cannot in any way condone the request of the government to clothe any one man with such extraordinary and sweeping powers.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, in taking part in the debate I should like to assure hon. members that it is not my intention to take up much time. I rise only to ask one question and to make one point.

[Mr. Low.]

I would ask the hon. member for Kootenay West (Mr. Herridge) who comes from British Columbia if, when he was stating the policy of national defence for the C.C.F. party, he was stating the policy of the national party or that of the British Columbia party. I believe there is a great divergence of view as between the different parties. In fact, many hon. members of this house would say that their views are at right angles to each other. I think it will be found that their views are completely opposed. I do not believe that members of such a group have the right to criticize a party that is united.

In making my point as to what is the proper method of making purchases for the Dominion of Canada I would suggest to the hon. member for Vancouver-Quadra (Mr. Green) that it is well known to all hon. members that a lawyer is generally the best person to defend a guilty party because he is most voluble and eloquent. I suggest to my hon. friend that he was most voluble and eloquent in trying to make his point.

Any business firm of which I have any knowledge has only one purchasing department. I am glad the Liberal party is carrying out a businesslike policy of having only one purchasing department, and I am more than pleased that the Right Hon. C. D. Howe is the man chosen to head up that purchasing department.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, this is a measure for the setting up of arbitrary power, the kind of power which in other states brought about the beginning of the destruction of the type of freedom we live under. This is being introduced in peacetime, at a time when the Minister of Trade and Commerce (Mr. Howe), who is sponsoring the bill, says that there is no emergency. This is a measure which should be utterly repugnant to anyone who believes in or has any understanding of Liberal principles. I am quite sure that I could find in the speeches of ninety per cent of the members of this house most eloquent passages declaiming against this kind of thing. As I say, it is entirely repugnant to the whole genius of our constitution.

It is difficult to speak about this because I am afraid there are a lot of people, both inside and outside the house, who think that this is just a lot of abstract nonsense being uttered by some of us who ought to know better, who ought to be practical men and not delay the house in talking.

Mr. Howe: Hear, Hear.

Mr. Macdonnell (Greenwood): I am going to thank the minister because at the moment he seems to be listening. I realize quite well that everything I say will go off his back just like

water off a duck's, but nevertheless it is something that for the moment he is listening and seems to be interested in what I am saying. The minister is a practical man and perhaps he will think that anyone who puts in his time worrying about political theory could have employed it to better advantage. But not everyone in this house thinks that way. I know there are members of the government opposite—and some not sitting opposite today—who have not always thought that, who have been very eloquent—when I say eloquent I mean eloquent—in their objections to arbitrary government and in their belief in the rule of law. Perhaps they will be interested if I read a sentence or two from an authority which some of them know much better than I. I am going to quote from what is perhaps the greatest living English authority on the law of constitution, and I refer to Dicey. I shall quote from page 202 of the ninth edition. If hon. members will be kind enough to follow what I read I think they will come to the conclusion that if what I read does not cover this bill, then there is no such thing as making a clear statement that will cover the bill. Speaking of the rule of law he said:

It means, in the first place, the absolute supremacy or predominance of regular law as opposed to the influence of arbitrary power—

Does any sane man contend that this bill does not give arbitrary power? I am not discussing for the moment whether the minister will use that power correctly. We all know the minister is a sensible and capable man, but that is not the point. This is arbitrary power and in giving arbitrary power to a man you must consider that while you may give it to a man you believe is a good man, that power may get into the hands of a man you might not consider to be good. You might even find that a good man is somewhat corrupted by power, but we shall not deal with that. I read on:

—and excludes the existence of arbitrariness,—

Does anyone doubt that there is arbitrariness in this bill? The minister can ask a man to do something and if he refuses he can have him fined $5,000. That is the effect of this bill. If the minister and that man do not see eye to eye, he may be fined and have no recourse. I continue:

—of prerogative, or even of wide discretionary authority on the part of the government.

Does anyone doubt that all those things are deeply embedded in this bill? I quote again:

It means, again, equality before the law, or the equal subjection of all classes to the ordinary law of the land administered by the ordinary law courts—

Is that what this bill provides?

—the "rule of law" in this sense excludes the idea of any exemption of officials or others from the duty of obedience to the law which governs other citizens or from the jurisdiction of the ordinary tribunals:

By this bill the minister is excused from obedience to the law; he is put above the law. I should like to quote at this time something which many of you have seen day after day if you have the judgment, whether it is good or bad, to read the *Globe and Mail*. This is what appears at the head of the editorial page:

The subject who is truly loyal to the chief magistrate will neither advise nor submit to arbitrary measures.

If this bill is not an arbitrary measure, I should like to know what it is. I want to make this point as clear as I can. I have said that there is no emergency. I said the other day, and I repeat what the hon. member for Vancouver-Quadra (Mr. Green) has already said, that if there was an emergency nobody would be readier than we on this side to give emergency powers. But we have been told, and we are entitled to rely on that, that there is no emergency. After saying that we were ready to give the powers if they were necessary, I went on to say, as reported on page 3483 of *Hansard* of June 12:

I say that before we can be asked, or should be asked, to give any such powers as these we should know exactly what kind of difficulties are facing the minister at the moment. What are the things that cannot be done under the powers of the Canadian Commercial Corporation and the other authorities which do exist? Nothing has been said yet to indicate that.

Then I went on to say that I and those with whom I was associated would be only too ready to act if there was an emergency. I will say this about the Minister of Trade and Commerce. He has contact with and a status with the business community of this country which the rest of us might envy. I do not begrudge him the fact that he has built it up perfectly properly. I contend that without all these additional powers to which I so strongly object the minister could carry on with the existing organizations. The minister has great influence now. I will not say that I like it all and I will not say that I like some of the measures which have given it to him, for some of those measures do give him a considerable amount of power.

Of course the minister's answer to my question was no answer at all. He gave us a hair-splitting statement that this measure was really taking power away from him—and in a narrow technical way he was correct—because he told us that the Department of Munitions and Supply Act which was widely used during the war was still on the statute

books, and that under it he had greater powers. I think that is quite true except as I said when I interjected this morning—and I say it again—to all intents and purposes in the last few years that act has been as dead as Queen Anne. The fact that the minister, who is pretty good at using power, did not invoke the act so far as I know, and certainly not to any great extent, proves to my satisfaction that it was really in the discard.

As to the measure we have before us, I am not going to take much of the time of the house to discuss it. I would ask members to read section 2 in order that they may see the range of it, how much it covers—it will fairly take your breath away—and then read the other clauses and see the power that is given. I am not going into detail on that because my point is to argue that here we have an arbitrary measure which is not needed, that the existing law is perfectly adequate, and that no attempt has been made to satisfy us that the existing law is not adequate. Yet we are asked to pass the bill, and I suppose the majority will vote it through.

Mr. Howe: Mr. Speaker, on a question of privilege, I assure my hon. friend that the existing law is much more than adequate.

Mr. Macdonnell (Greenwood): Oh, yes, you mean the munitions and supply act.

Mr. Howe: That is the existing law under which purchasing is carried on.

Mr. Macdonnell (Greenwood): If you want to split hairs you are quite right.

Mr. Howe: I am not splitting hairs.

Mr. Macdonnell (Greenwood): You are quite ready to do so. I will repeat my point, and members will have to judge for themselves. The Department of Munitions and Supply Act has been on the statute books, and is like a lot of other statutes which they have forgotten to repeal. I think the minister will not deny that it has virtually not been availed of, and what I am interested in and what we are all interested in is not what is in the munitions and supply act but what is in the bill before the house.

Mr. Howe: If my hon. friend thinks the munitions and supply act is not being invoked, let me point out to him there are a few cases before the exchequer court where the appellants really believe it has been invoked.

Mr. Macdonnell (Greenwood): If the minister wants to go back into ancient history—

Mr. Howe: They are over there now.

Mr. Macdonnell (Greenwood): Cases often stay quite a long time in the law courts, and I expect if one looked into this matter the same thing would prove to be true. Let the minister talk about the munitions and supply act if he wants to. What I am interested in is the bill now before us. At any rate the minister will agree that the bill before us will replace the Department of Munitions and Supply Act. I want to deal with the bill for a minute or two. Of course the powers are very wide and involve stockpiling, making contracts and, as has already been pointed out, stepping into the shipbuilding industry. As I said, I do not need to go into any more detail. I want to say, however, that it was put to me by a man whose judgment I respect very much, and could not possibly disregard, that the things contemplated to be done under the bill need to be done in order to get on with the business of our defence. I told him that I think I am just as anxious as anybody is to see the business of our defence proceeded with, but that nothing has been said to indicate that the powers presently existing under the Canadian Commercial Corporation and the defence department, which will get their votes, are not sufficient to make it unnecessary for us to have this measure.

A question occurred to me but I think I have answered it to my own satisfaction already. I take it that the bill is not ancillary to the vote that we will be passing for the Department of National Defence, that no attempt is being made to get further moneys in this way, and that everything that must be done by way of purchasing must be done under the estimates relating to the Department of National Defence. In other words, this is not an indirect way of getting what should be got directly.

There is one point that should be mentioned. There has been a rather feeble and childish attempt to say in the bill that if there is a disagreement on price then the matter may be referred to the exchequer court. I should like to ask the minister what he would have thought when he was in business of fixing prices before the exchequer court. I venture to say that the minister would have said, "What, go and spend months and months before a court!" He would have settled the matter then and there one way or another. I think it is a most unmeaning provision which is put in there as a kind of gesture to try to lessen the appearance of arbitrariness which sticks out everywhere in the bill.

I have tried to express my view on this question. What disturbs me most is the manner in which the bill has been received. One hon. member told us this afternoon that this is the kind of dictatorship we want. Many foolish things may have been said in the house but I wonder if anything more foolish

was ever said. I hope nothing so foolish will ever be said again during my time in the house as "that is the kind of dictatorship we want." One might have hoped that among the serried ranks of the government supporters, 190 members, there might have been somebody to speak out against the bill. One is almost tempted to call the roll of some of the ministers who, one knows, cannot possibly like this kind of thing. Apparently, however, they have allowed themselves to be lulled to sleep in some way or other, or they believe, like the hon. member who spoke a little while ago, that the Minister of Trade and Commerce can do no wrong, which has really nothing to do with the matter anyway.

I cannot expect the Minister of Trade and Commerce to be interested in these remarks. I am surprised that he has remained in the house because he must regard it as an utter waste of time to talk about political principles. The minister is a man of action, and indeed I think he regards the House of Commons as a rather foolish place. I think when we ask him questions about the business he is conducting he regards it as a rather unwarranted intrusion on private life. I thought so the other day when he said quite frankly that the Polymer Corporation was not a public enterprise but was his enterprise, and I think I know the way he meant it. It was said in all good faith, and there was a considerable measure of truth in it. As I said a moment ago, one might have expected something different from some of the other men in the cabinet. There was a time when I would have thought that the Prime Minister (Mr. St. Laurent) would have taken this kind of thing seriously. As I have said, there are other men in the cabinet who I know would have taken it seriously at one time, but I do not think anything is to be gained by conducting a poll.

I cannot take my seat without expressing the hope that there will be at least one among the 190 members of the government side who will say a word in favour of what I believe to be freedom and against what I believe to be the extremity of arbitrariness. If that is not to happen, if there is nobody in the majority, about which we are so often reminded, who will speak out in that fashion, then I can only hope that the voices of those who are objecting will be heard outside the house, and that church and educational institutions and people everywhere who understand that freedom is a delicate plant that needs constant cherishing will give voice to that feeling in order that this measure, which I regard as arbitrary and evil, may not be passed in its present form. I shall vote against it, Mr. Speaker.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, because I feel this legislation is so charged with terrible consequences I find I must not only vote against it but speak against it when the bill is before the house with Your Honour in the chair. This type of legislation always presents members with a serious dilemma. We are told that the international situation is such that we are called upon to take strenuous and unusual measures to arm and equip ourselves, to build up stockpiles and so on, in order that we may be prepared for an emergency which we all hope will not actually arise but which unfortunately might arise. When it is put upon the basis that what is to be done under the new bill is in the best interests of the country, you are placed in a very difficult position when considering whether or not you should oppose it. Having given the matter that consideration, however, and being fully aware of the seriousness of what the minister said when he indicated that he needed these powers, I find I cannot agree that these powers are necessary, and have come to the conclusion that the bill is fraught with more harmful consequences than the good that may be done under it.

I want to make it clear, Mr. Speaker, that we are not objecting to the things that are to be done under the bill; that is, the stockpiling and so on. As other speakers have said, if we were convinced that this was the only way in which those precautions could be taken that we want to see taken, then I suppose reluctantly we would have to agree to this legislation. But I am not in the least convinced of that. I cannot see why the minister needs this tremendous, sweeping power for which he is asking, in order to carry on defence purchases, in order to instruct the Canadian Commercial Corporation which already exists and is already authorized to act as the defence purchasing agent. I hope the minister will explain that to us, for I cannot see it.

I wish it were not always the Minister of Trade and Commerce (Mr. Howe) who is concerned in these things, because sometimes I am sure he must feel that we have a personal antipathy to him. That is not the case, but it seems all these matters concern the same minister, and he is the minister we have to criticize all the time.

Mr. Mitchell: He has not done a bad job for this nation.

Mr. Fulton: I do not know why the government keeps repeating that. It is readily admitted that during the war he did a good job for the nation. Let us analyse the power we are giving a minister; let us call him

Minister X. We are asked to give him power to control not only the plants which directly manufacture the materials of war but everything which may enter into a defence project. The mining industry, the lumbering industry, the clothing industry; every conceivable element of our economic life that could possibly enter into the manufacture of anything which might be needed in connection with national defence, directly or indirectly, is to be under the complete control of one minister. Not only has he power to set the price, to compel people to make delivery within a certain time, and so on, but there is no appeal from that arbitrary power except a very limited and, as the hon. member for Greenwood (Mr. Macdonnell) has said, a really nugatory appeal by reference to the exchequer court as to the matter of price. And I think it is important to note that any such reference must be on terms laid down by the Minister of Justice. That is provided in the bill. A man has not the right to take his case before the exchequer court as he sees fit; it will be presented to the court on the terms contained in a reference drawn up by the Minister of Justice, and then only in reference to the price. What about the other matters? There is no appeal. The minister can set a time limit just as unreasonable as can be conceived. There is no appeal. It may be a physical impossibility to conform to that time limit, and because a man is unable to do so he may be liable to a penalty of $5,000.

I think it is fair, too, to observe that we have not been told of the proximity of this emergency which is said to justify the granting of these powers. By one minister we are told that nothing has happened at the recent conferences to change the picture as far as we are concerned. Then we are asked by another minister for powers which I think it is correct to say have never before been taken by a government in peacetime, when we have not been told that an emergency is imminent.

Having been told by one minister that nothing has happened to change the outlook as far as we are concerned, I cannot vote for a bill which gives another minister these undemocratic powers, when we have not had any further explanation as to the real necessity for them.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it seems particularly strange that when a bill of this kind is before the house for the first time in printed form the minister should not consider it necessary to explain the bill in detail when hon. members would have an opportunity of following what he had to say with the words actually before them. He gave a broad statement when the resolution was before the house, and when that resolution was in the committee stage he replied to certain points that had been raised. As yet, however, he has made no attempt to explain this extremely important bill, to analyse its effect in relation to the other legislation that is integrated with it, or to give hon. members one solid reason why we should be called upon to confer these extremely wide powers in peacetime.

Mr. Howe: I overrated the intelligence of the opposition. If I were starting again I would give a more comprehensive explanation.

Mr. Drew: I should be very glad to resume my seat and continue later if the minister is prepared to give an explanation, as long as he would not close the debate.

Mr. Howe: I am afraid that procedure would not be parliamentary.

Mr. Drew: I have examined the bill, and I am convinced that far from being more restricted, in many ways this legislation goes much further in peacetime than at least one of the acts which it repeals. The Department of Munitions and Supply Act, which is being repealed, is written in considerable detail, making it possible to understand exactly what is intended, what procedure is to be followed, and what actually are the powers of the minister. One of the well established principles of all legislation of this kind is that words appearing in an act must be read with the continuing meaning of those words right through the act; and in the Department of Munitions and Supply Act the words used relate very largely to munitions of war. It is perfectly obvious that in peacetime munitions of war are limited. Therefore I suggest that far from being narrower, when the new legislation refers to everything required for defence purposes it has a very much wider application than the munitions and supply act, which is still in effect and which is based largely upon the requirement for munitions of war.

I recognize, though I do not think the minister has clearly explained it, that some legislation is required to carry on the activities of the Canadian Commercial Corporation if the Department of Munitions and Supply Act is to be repealed, as undoubtedly it should be repealed having regard to the words I mentioned and the obvious fact that it is a wartime act. Nevertheless it would seem to me that the simple and proper way to deal with this, to the extent that such a change in legislation may be necessary, is to add any amending sections that are

required to the Canadian Commercial Corporation Act. Failing that, if for any reason it is not thought the Canadian Commercial Corporation Act should be continued, then the Defence Purchases, Profits Control, and Financing Act, 1939, which was a peacetime act, could be continued; and whatever amendments are regarded as desirable as a result of experience in intervening years could be made.

Let us see exactly what this particular act does. Here is an act which, if the members will only fully examine it, places practically the whole of our economy in the hands of this minister; that is written in four pages, and a considerable part of it is the definitive part of the act. Brevity is always highly desirable where brevity serves a useful purpose. When you are handing over to a minister the powers that are conferred by this act brevity, to the extent that it does not in any way bring any measure of control over the activities of the minister for the protection of the public or even for the protection of the government itself, is brevity of a dangerous kind.

Let us examine what this act does. It gives to the minister, according to section 3 (a), the power to:

> buy or otherwise acquire, exchange, process, develop, repair, maintain, store and transport defence supplies;

What are "defence supplies"? Defence supplies are defined in section 2 of the act, and this is the definition:

> "Defence supplies" means arms, ammunition, implements of war, vehicles, mechanical and other equipment, watercraft, amphibious craft, aircraft, animals, goods, wares, merchandise, articles and materials of all kinds required for any project or otherwise for the purposes of defence;

The only limitation upon the all-embracing effect of those words I have read, which embrace every conceivable thing which is available for our use in this country, is that it be for defence purposes. In addition to all the wide specific terms used in that section, it says, "articles and materials of all kinds." Surely, that is wide enough. We have been told that defence means the strength of the whole nation. What single thing is there that cannot be interpreted as for defence? It may be interpreted as necessary for defence to take over any part of the animal population of this country. It may be regarded as necessary for the purpose of defence to operate all the railways; it may be regarded as necessary for the purpose of defence to take over the control of production of all wood products; it may be regarded as necessary for the purpose of defence, having regard to the fact that our economy is in itself such an essential part of defence, to take over the control of the banks and other financial institutions. Do not let anyone say this is too wide an interpretation. As indicated in the Atlantic pact itself, all these things are regarded as part of the strength of a nation to defend itself. It is still within the scope of these wide powers for the minister to declare that those things are necessary for defence.

Under this act the minister can buy and sell, and generally deal in all these various things that may be embraced by such a definition. Let us look at section 3 (b). It reads:

> acquire, store and maintain stocks of strategic materials, and other materials or articles entering into the manufacture of defence supplies or the construction, development, repair or maintenance of projects, and sell or otherwise dispose of such materials or articles and use the whole or any part of the proceeds for the acquisition of further such materials or articles;

Mr. Speaker, once the step has been taken to declare that any particular segment of our economy is an essential requirement to our defence, this may become a great national trading organization exercising its influence directly over the whole of our daily activity in this country. Granted that the minister goes rather far today, granted that the minister has extremely wide powers under other existing acts; but this goes further than anything we have had before. It goes farther than one of the acts it repeals, the Department of Munitions and Supply Act.

Let us consider section 3(c), which reads:

> construct or otherwise acquire, carry out, develop, repair and maintain any project;
>
> (d) arrange for the performance of commercial and professional services;
>
> (e) require any person who is obligated by any contract to deliver any defence supplies . . .

and so on. Under section 3(e)—

The Acting Speaker (Mr. Beaudoin): Order. I am sorry to interrupt the hon. member, but as he knows, he should not refer to specific clauses of the bill on second reading. That can more properly be done in the committee. At this stage we are discussing the principle of the bill.

Mr. Drew: Thank you, Mr. Speaker. I shall proceed to state what it does do. This bill makes it possible for the minister to require any person who produces, deals in, or has in his possession or control, any materials or articles needed for the completion of a contract, with respect to which a requirement has already been established, to give certain priorities. As outlined by the minister the other day, another provision of this act is that the minister may require any person to furnish such information respecting defence supplies dealt in by him, or projects of a type

executed by him or respecting his production and other facilities relating thereto, in such time and manner as the minister may specify.

Where is the rule of law? Where is the defence of the rights of the individual? We have been hearing a lot about a bill of rights, both in the international and in the domestic field. Where is the right of any individual if a minister, no matter who that minister may be, may require information of this kind? There is no definition as to the type of information that is wanted, nor is there any measure of restraint excepting the discretion of the minister himself.

Then the act does provide for the employment of the Canadian Commercial Corporation. There is also a provision that the minister may do further things, and mark the extent of this. In case these powers are not wide enough, and I would not have thought there was any doubt about that, then the minister may do any other such thing as may be authorized by the governor in council in regard to the procurement and disposal of defence supplies and projects.

What is a defence project? During the war one defence project of great importance, and one which was completed with commendable speed, was the great power plant at Arvida. But what we have before this house at the present time, in peacetime, is the power to do that sort of thing in this time of peace. If that was actually a part of our defence requirements in war, it certainly is a part of our defence requirements in peace; and this bill is wide enough for this minister to construct anywhere in Canada, quite outside the scope of any other legislation that this house has adopted, any power project for the purpose of providing power which he might think necessary for the potential defence of this country. Those are the realities. Any one of those things I have suggested is not in any way a straining of the actual, clear and explicit meaning of the words of this bill that is before us.

Then again the bill has the effect of repealing the Defence Purchases, Profits Control, and Financing Act, 1939, which has already been referred to. In the explanation given by the minister, which he has not followed up and which he says must be taken as the full information that we are to have from the man who is to be declared a dictator under this act, it is interesting to note that he nevertheless did not even bother to explain to us why it was necessary to repeal the act known as the Defence Purchases, Profits Control, and Financing Act, 1939. That act has this interesting feature. It was a peacetime act based upon certain experience which demonstrated the necessity of preventing profiteering in defence supplies in peacetime. That act imposed certain restraints that were regarded as wise by this government as a result of disclosures which had been made as to the profits which were resulting from some of the preparations then being made for defence, such as those which are contemplated under this present bill. Why should we remove all those restraints and all those protections which are contained in an act which was brought into this house with such acclaim?

With regard to the Canadian Commercial Corporation, we also know that this has been described to us as a highly efficient means of obtaining the defence requirements of this country. The last statement made by the Minister of National Defence (Mr. Claxton) during the last session of this house refers to this organization and its place in the procurement of our defence requirements. At the time that act was introduced, on July 2, 1947, the then minister of trade and commerce, Mr. MacKinnon, had this to say, as reported at page 4948 of *Hansard* of that date:

> The government, in deciding to continue a single civilian purchasing agency for the services, was anxious to take advantage of the efficient organization that had already been built up and was functioning under the Department of Reconstruction and Supply. Many of the key personnel involved in these activities during the war are now carrying out duties as employees of the Canadian Commercial Corporation, and handling procurement problems for foreign governments and UNRRA.

As one reads on in that speech, it becomes quite clear that it was intended that the Canadian Commercial Corporation should be the peacetime procurement agency for our defence requirements. Then the Minister of National Defence himself, as reported at page 4959 of *Hansard* of July 2, 1947, in referring to this act said this:

> It is not a wartime show because it is not wartime, but this carries into peacetime in the person of Mr. W. D. Low and other senior officials the experience and the knowledge and the files and the contacts with industry throughout the country which the Department of Munitions and Supply built up over six years.

That quotation leaves no doubt that the house was being informed that this Canadian Commercial Corporation, as the civilian procurement agency for the Department of National Defence and for the government, was carrying forward the experience of the six years' activities of the department of munitions and supply; and that, as the Minister of National Defence stated, the expert staff of the department of munitions and supply were being transferred to the Canadian Commercial Corporation.

Then also to emphasize that this was a body that was doing the things which had

been done by the Department of Munitions and Supply Act, the Minister of National Defence said at a later point in his remarks:

> As I pointed out, these are exactly the same people who had this continuous association through the Department of Munitions and Supply with the suppliers of munitions during the war.

That was the idea that the house had. It has actually been the role of this Canadian Commercial Corporation.

Mr. McIlraith: And it still is.

Mr. Drew: Then again the present Minister of Finance (Mr. Abbott) had this to say on July 2, 1947, as reported at page 4964 of *Hansard* in referring to this same organization:

> It was felt that some central agency of government other than the Department of National Defence could do defence purchasing. When the Canadian Commercial Corporation was created a large portion of the personnel of the purchasing branch of munitions and supply was transferred to that department.

This bill that is before us has the effect of establishing on a new basis the powers of the minister. If the courts today were called upon to interpret the powers under the Department of Munitions and Supply Act, which uses terms that indicate that war is actually under way, the courts of this country, under well-established legal principles, would give an interpretation to the sections of it, bearing in mind at all times that these sections were drafted in time of war and were intended for war purposes, and therefore would give as narrow an interpretation as could reasonably be given to the extension of any powers conferred in that act. But if a court is called upon to define this present bill, the judges will properly say, under established principles of legal interpretation: This act was passed in peacetime; the parliament of Canada, knowing that there was no war, gave this tremendously wide power and therefore, having regard to the width and breadth of the terms, we must interpret this act in the broadest way. For that very reason, Mr. Speaker, I submit that this bill, as it stands now, gives infinitely wider powers to the minister than those which he has under the Department of Munitions and Supply Act, an act which is much longer and which goes into a great deal more detailed explanation. But certainly the repeal of the act which limits profits is one which should be examined carefully; I refer to the act known as the Defence Purchases, Profits Control, and Financing Act, 1939. I am aware that during the time I was out of the house this afternoon the hon. member for Kootenay West (Mr. Herridge) quoted something that I had written some time ago in regard to the manufacturing of munitions of war or, rather, of defence supplies.

I certainly believe, as I believed then, that where industry is called upon to produce something under the dreadful necessity of arming this country, and where they have not all the problems of competitive selling, but rather only the simple fulfilment of a contract handed to them by the government, with a certainty of payment and a certainty of profit, those profits should be strictly limited, and that the needs of the country should not be the basis of extravagant profits at any time.

But I certainly would be most reluctant to see this House of Commons so casually and so callously disposing of this act, which does still make it possible to prevent profiteering from the demands created by danger to our freedom. If anything, I should like to see this act amended and brought up to date. I do not in any way change the views I held before. On the contrary, all that has happened since then has impressed more firmly upon my mind, even than it was at the time I wrote the article "Salesmen of Death", that there should be the most effective possible control over profiteering at the time that the dreadful threat to our freedom necessitates the expenditure of enormous sums of the people's money, resulting in heavy burdens of taxation for Canadians now and in the years ahead.

Hon. members appear to feel that there should not be debate even upon this vitally important subject. They would like to take the view expressed by one member, and say, "We trust the minister, so let her go. Don't bother about the act. Don't bother about the powers. The minister is a good fellow. Parliament doesn't need to know. We are sure he will do everything all right, no matter what power he has." It is something like the old saying, "Don't shoot the man at the piano; he is doing his best."

But this goes further than that. The man at the piano may be doing his best, but there are faulty notes that have been struck, and it would be well for us to examine this piece a little more carefully before we are satisfied that this is the best we can do. Because, after all, we are the ones who have to assume the responsibility—not the government.

In this particular case I would recommend to many hon. members, and particularly members of the government, that they read from *Hansard* of March 10, 1939, beginning at page 1751, where the then minister of national defence explained the reasons for introducing this legislation to control profiteering. In that speech he took occasion to quote the then prime minister of Canada, whose views, even while he still lives, have

been given something of a measure of sanctity by members of his party. At least they profess that those views have particular force. And, no matter what political opinions might be expressed otherwise, many of his views were extremely sound.

On this particular occasion the then minister of national defence quoted the words of the then prime minister, as they appear at page 1753 of *Hansard*. These are the words of the Right Hon. William Lyon Mackenzie King:

> I share the hon. member's abhorrence of anything in the nature of profiteering. I cannot imagine a more contemptible means of seeking to make one's fortune than by doing so at the expense of the lives of others. . . .
>
> If there are to be no profits, I cannot think of any way in which industry can be carried on other than by its complete nationalization.
>
> . . . The choice lies between state monopoly and private industry, or partly the one and partly the other. . . .
>
> Guns and shot and powder are not the only materials required for war. They are not the only materials that present a temptation in the matter of profits when war occurs. . . .
>
> Are all these things to be procured only under a government owned and controlled system which will not permit of profits being made? All that could result from a policy of that sort, if it were possible, would be the creation of a non-profit socialist island inside a competitive economy. But I doubt very much if we could get that far in Canada in a great many years, and, even if we did, whether it would be a good thing for the country. . . . I am afraid that for a long time to come we would not recover what in the interval we had lost in the way of individual initiative and freedom. . . .
>
> Government manufacture may be desirable in regard to certain kinds of essential supplies which we require continuously.
>
> I think private industry, where it is engaged in the manufacture of munitions and war materials, has to be watched closely to see that excessive profits are not made. . . .
>
> We should seek most carefully to control private industry, but I cannot see how, in a system of competitive industry, you can totally eliminate the possibility of some profit being made. As hon. members of the house know, there is a great variety of special articles required as war supplies and equipment. It would be going much too far not to expect these to be obtained at least in part from private concerns which would expect to make some profit. Where, however, private industry is permitted to undertake the manufacture of munitions and war supplies, I believe there should be very strict government supervision. All contracts should contain provisions which will ensure that there will be no opportunity for other than a reasonable profit. I may tell my hon. friend that this whole matter has been given very careful consideration by the government. So far as any contracts with which we may have anything to do are concerned, every effort will be made to prevent anything in the nature of undue profits being secured by those who obtain the contracts.

Those words of Mr. Mackenzie King were offered as the basis for the argument put forward. Hon. members did not say then, as one hon. member said this afternoon—and I am sure sincerely—"Well, certainly, we want everything done properly. But we trust the minister; so let him go ahead. We do not want any details as to how it is to be done." But that was not the way it was done then. And it was this very government—this very government—which at that time, having stated the needs, did not say, "We rely on this minister", or that minister. On the contrary they introduced the Defence Purchases, Profits Control and Financing Act, 1939, in peacetime, and passed that act for the purpose of doing the very thing they said should be done.

It seems to me, Mr. Speaker, that this government certainly is not the one to tell us, and to tell the people of Canada, that that practice was unsound, that we are to abandon any measure of statutory control over profits, that we are to abandon any of the restraints that were imposed in peacetime—in 1939—because of the disclosure of certain profiteering that had taken place at that time. It would seem that this is the government which in the light of the experience of the years should say, "We are going to strengthen that act." If this government were prepared to say, "We think at this stage that the Canadian Commercial Corporation, as procurement agency for the government for defence supplies—"

Mr. Howe: The Canadian Commercial Corporation is not; it has never been the government procurement agency for the Department of National Defence. I have said that three times in this debate.

Mr. Drew: If the minister said that three times in this debate he said something three times that is the direct opposite of what the Minister of National Defence (Mr. Claxton) has said. The Minister of National Defence has said that it is the procurement agency and the quotations from *Hansard* I have just given indicate that at the time the bill was introduced the house was informed that it was to be the procurement agency for the Department of National Defence.

Mr. Howe: Nothing of the kind.

Mr. Drew: In fact it is the procurement agency for the Department of National Defence at the present time. It operates as the procurement agency for the Department of National Defence under this device: By an amendment the Minister of Trade and Commerce was made the minister responsible for the Canadian Commercial Corporation.

Mr. Howe: Not at all.

Mr. Drew: The minister was also given the power to avail himself of such provisions under the munitions and supply act as are required for the carrying out of the duties of the Canadian Commercial Corporation as

the agency. The statements I have read by those who introduced that act have absolutely no meaning, more than that they were insincere and improper and misleading, unless they were intended to convey, and did convey, the impression that the Canadian Commercial Corporation was to be the post-war civilian body set up by this government as the procurement agency for the Department of National Defence.

Having done that, if the government thinks that its powers should be widened, if the government thinks that some of the provisions of the munitions and supply act which are being employed in connection with the activities of the Canadian Commercial Corporation should be widened, then it would be a simple thing to bring in an amendment to the Canadian Commercial Corporation Act. If the government decided that, instead of having two acts, there should be one, it would be possible for them to introduce an amendment to the provisions of the Defence Purchases, Profits Control, and Financing Act, 1939. Then we would have in one act an up to date, effective and understandable piece of legislation dealing with the procurement of the defence requirements of this country.

At this point let me make one thing perfectly clear. The experience and service of the hon. member for Nanaimo (Mr. Pearkes) in war as in peace demonstrate his unusual ability to discuss this whole subject, and what he has said leaves no doubt whatever that we want the most effective, the most efficient and the most up to date procedure that is available for the purpose of giving to our armed forces on land, in the air and at sea the finest type of equipment that human ingenuity and our productive capacity can produce. That is what we have been urging.

When we were urging the Minister of National Defence to tell us what we need under this new agreement which was settled in London only a couple of weeks ago and which the press of the world has hailed as a history-making agreement, we were really asking him to tell us frankly what kind of equipment our forces need. We were asking him to tell us how we could support him in giving to these men in uniform, whether it be khaki, light blue or dark blue, the very best that a great industrial nation could give to them with the backing of parliament which represents the people. That is what we have been asking.

I am only putting this forward in the belief that we should have an act which retains in the hands of parliament those appropriate controls which are the responsibility of parliament in peacetime. This bill should provide legislation which will give the most effective possible productive opportunities in this country to provide those things that we really need, and it should also retain whatever restraints there should be and introduce whatever new restraints there should be so that this cruel demand which has been enforced upon our taxpayers so shortly after another war for hundreds of millions of dollars for our defence shall not be the means of profiteering now or in the future.

This present bill, far from being restrictive, is the broadest possible piece of legislation imaginable. It is true that it does not say in explicit terms that the minister can force any industry to do anything, but the minister can buy or otherwise acquire, exchange, process, develop, repair, maintain, store and transport defence supplies. He can acquire those things in any way which he himself deems advisable with the support of the government.

Let us see what this bill does and does not do. With the other acts repealed, under this bill no tender need be called for at any time. If hon. members of this house are so gullible as to believe that there is no danger in a provision of that kind, then they have not been following the examination of the public accounts even during the present session. There are no safeguards of any kind which the parliament of Canada, the supreme representative body of the people, could exercise to protect the people's interests.

The board provided by the Defence Purchases, Profits Control, and Financing Act goes. There is to be just one man. Of course that man has the warm and high commendation which has been given to him by the hon. member for Fort William (Mr. McIvor), but even if all of us shared that warm admiration, I still think that with all that admiration—

Mr. McIvor: May I ask the leader of the opposition if he believes in dictatorship?

Mr. Drew: Most certainly not.

Mr. McIvor: If you are a married man, you do.

Mr. Drew: I do not believe in dictatorship and I shall be sufficiently personal to say that I am very happy in my marriage and do not regard it in any way as a dictatorship. What I said in regard to the hon. member for Fort William was sincere because I am sure every hon. member loves his warm and genial spirit. But I am not saying anything offensive when I point out that what he has said has in it the very essence of the possibility of dictatorship, although I know he never meant that.

I can remember quite distinctly when those in Germany who were supporting the regime that came into power in January, 1933, said, "We trust this man, we leave it to him." The same thing happened in Italy and they said, "We trust this man, we leave it to him. We do not want any legislation talked about because after all he has done such a good job in building roads and making our trains run on time and no legislation is required." Then in Russia there were people, many of them quite sincere, who said, "This man is doing a good job. He has built a nice subway for us here in Moscow and we do not want any talk about legislation." And so it was in Germany. Instead of debate and discussion they simply said: "Here is the man. Heil Hitler!" In Italy people said: "Here is a man who has done a good job. Viva Duce!" In Russia they said: "Here is a man who has done a good job. Tovarich!" And so it went. Many very bad things resulted from that point of view. It would be most unfortunate indeed if we should forget today that many of the people who supported Hitler and Mussolini—

Mr. Howe: Among them my hon. friend, as I remember.

Mr. Drew: That is as utterly untrue as other statements that have been made. As a matter of fact, if the hon. member would bother about being a little more accurate and careful he would find that I was one of the first to warn of the danger of the threat of German arms, to urge the rearming of our country, and to try to impress upon this government the necessity of bringing our defence forces up to some state of efficiency. I did that in different articles, and particularly in one which some of the members of the government did not like very much, entitled "Our Bow and Arrow Army". It was written for the purpose of meeting the threat of dictatorship I described which was emerging in Europe at that time. The fact is that those who have seen these things are likely to realize perhaps a little better the extent to which sincere people can be carried away by what they see.

Like everyone else who saw it I pointed out the way that people in those countries were impressed with the efficiency that appeared, with the fact that, as I said before, railways were run better, roads were better, and a lot of other things were better. Anyone who was not blind would have said that, and anyone who reported that was not supporting the regime.

Mr. Howe: You spoke very well of Hitler at the same time.

[Mr. Drew.]

Mr. Drew: Never at any time. That is the most preposterous falsehood I have heard. Mark you, I did not go over and call on Mr. Hitler, as your prime minister of that time did, and then come back with a fine report of what he thought about him.

Mr. McLure: Give him another solar plexus blow.

Mr. Drew: This merely indicates of course the kind of device that is employed at all times to divert attention from the really serious considerations before the house. We are being asked to remove wise restraints that were introduced by this very government at a time when some of its members understood the real and fundamental principles of democracy. We are also being asked to repeal other legislation without even having information as to why some of these things are being done. We are being asked to repeal two acts under the present bill without any explanation why the Canadian Commercial Corporation cannot carry forward the work that it was intended to do. We are also being asked to repeal the existing restraints on profits without any explanation as to why it would not be wise to carry them forward.

The Minister of Trade and Commerce (Mr. Howe) takes very much to heart any suggestion that we should examine these things on the basis of parliamentary practice and established procedure. The fact is that as many free parliaments have been destroyed by sincere men and women doing the wrong thing without realizing that what they were doing was wrong, and really with the hope of improving the efficiency of government, as have been destroyed by force of arms. People forget that in Germany, Italy, Russia and other countries there were many sincere people who really thought that it was worth while to do away with ordinary parliamentary rights so that one man could act quickly without waiting for parliament to approve. Many people who thought that had no sinister motive. Of course many who did and many who supported that form of government had the most sinister motives.

I am not imputing sinister motives of any kind, but I say that the passage of this measure in peacetime, which will be read by the courts with the knowledge that these emergency powers were conferred in times of peace, without any restraints on profit or any of the other restraints imposed by one of the acts to be repealed, is opening the door to dictatorship. The only restraint on that is not one that can be exercised by parliament but is a restraint which will remain in the hands of one man and the government around him.

Mr. Howe: Mr. Speaker—

Mr. Speaker: Order. If the minister speaks now he will close the debate.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I will be very brief. The hour is later, and I believe the Minister of Finance (Mr. Abbott) wishes to deal with one or two bills. The threat seems to be made from all sides of the house that this legislation will be defeated. I will say at once it is all right with me if it is defeated because I will at least get full marks for having tried to remove from the statutes legislation that is far too dictatorial and stringent for peacetime. I have tried to retain from the existing legislation only those powers which are reasonable peacetime powers for carrying out the procurement duties involved in the defence of Canada. Even in peacetime provision for the defence of our country is important business. I believe that the defence of Canada even in peacetime is the most important business carried on in the country. If it is not, certainly the budget is badly distorted, since a considerable part of the taxation levied in this country is being spent on national defence.

We will concede that it is perhaps the most important business of the country. Therefore who can object to its having priority over other business in the matter of procurement? The power of priority is the only arbitrary power retained in the act. True we have taken power to compel a contractor to carry out a contract that he signs of his own volition. In wartime we had the right to go to a factory and say: You must make this. It is needed for defence. You have the facilities and you must make it. We are dropping that power, but if a contractor accepts a contract of his own volition to deliver defence supplies or munitions, then we are taking the power to say that he must carry out the terms of his contract and give his defence contract priority over other contracts he may have taken before or since.

We all know that there is no machinery in most government contracts to compel the contractor to carry out the work on time. We used to include penalty clauses, but I think they have been pretty generally done away with. It may be important, and usually is, in connection with a defence contract that the work be carried out according to the terms of the contract. Therefore we are reserving the right to demand from the contractor priority over contracts that he may have for less essential work. If any material is needed for defence we have power to requisition it. We are being criticized because the power of requisition carries with it the power to fix prices, subject to revision by the courts. Well, without the power to fix prices the power to requisition means nothing. Suppose I were to requisition from a stockpile of copper. I suppose copper today is worth about 23 cents a pound, and I say to the owners, "You must deliver it." The owner may reply, "We will deliver it, but the price is 60 cents a pound." That effectively stops the requisitioning from a practical viewpoint. We simply take the position that if we offer the going price of the day the copper must be delivered. If there are any circumstances that have not been taken into account in fixing that price the owner of the copper can go to the exchequer court, present his facts and have his contract revised.

If those are arbitrary powers, then we are taking arbitrary powers. We have those powers today, and of course we have powers that go far beyond them. Today we have the power to order a man to take a contract, to fix the price at which he will carry it out, to renegotiate our agreement at any time, and to revise the price. Today we have all those powers which in my opinion are not peacetime powers. Therefore we are asking that they be rescinded.

Now I come to the point raised by the leader of the C.C.F. party (Mr. Coldwell) and echoed by the leader of the opposition (Mr. Drew), that we should have an arbitrary profit limitation. The difficulty there is in framing limitations that would take account of all the conditions that apply to production. A contract carrying a profit of four per cent in certain industries could make a fortune for the owners. A highly mechanized industry might do very well on a profit of four per cent. An industry that is not mechanized, that depends upon handwork for its production, might be very likely to go broke on a profit of ten per cent. That is a condition of manufacturing. To set up arbitrary legislative limitations that would cover the great range of manufacturing going into the production of munitions, even in peacetime, is a task that I do not think any parliament could undertake and carry out satisfactorily.

Mr. Coldwell: Then what about a tax on excess profits?

Mr. Howe: How can we impose a tax that does not apply to all production? Take the Canadian General Electric Company, and I mention this company because it is one of our big corporations, manufacturing a wide range of products. Five per cent of their factory might be devoted to the production of war materials and ninety-five per cent to the production of peacetime materials. How could you apply a tax there? No; we think our best protection is the experience of our

purchasing agents in placing contracts with companies at profits that are reasonable.

I suppose it is quite needless to say again that responsibility for the procurement of defence supplies is the responsibility of the minister, not of the corporation. That was the case when the Department of Munitions and Supply Act was passed in 1939. It has been the position ever since, and is the position today. I have heard more kind words in this debate about the Canadian Commercial Corporation than ever before, and I agree with everything that has been said. But I cannot understand the desire to substitute a bureaucracy—for certainly the Canadian Commercial Corporation is a bureaucracy—for a minister who carries his responsibility into this House of Commons. It has always seemed to the government that responsibility for defence purchasing should rest directly upon the shoulders of a minister. That was the position throughout the war, it is the position today, and will continue to be the position under this new legislation.

I do not think I need say much more. Perhaps the house would be interested in the size of the operation we have been discussing. Hon. members may think that defence purchasing does not mean very much in peacetime, but in 1949 the minister was responsible for placing 84,632 separate contracts having a value of $197,445,808.22. In addition there were 19,561 amendments to contracts, resulting in additional expenditures of $24,092,-871.37. I just point out that the 104,193 separate transactions for which the minister was responsible represented over 350 transactions per day for the three hundred working days of the year. It is all very well to say that the minister should have no latitude and should obtain the approval of parliament for every separate transaction. I venture to say that parliament and even the government would have some trouble in approving 350 separate transactions every working day in the year. Therefore I think the limitation involved in the review by the government of transactions having to do with defence purchasing is reasonable.

A great deal has been said about this legislation being built around the present minister. Nothing could be more nonsensical. For his sins, the present minister was made minister of munitions and supply throughout the war years, from 1939 to 1946. At the end of that time it seemed that the department had served its purpose. However, a number of continuing functions had to be carried on, and the minister recommended to the Prime Minister that the responsibility of procurement for the armed services should be turned over to the minister of trade and commerce, who at that time was my colleague Hon. J. A. MacKinnon. It was turned over to him, and I thought that was the last I would see of procurement for the defence services. However, it happened that a few months later Mr. MacKinnon retired from the government, and I was appointed Minister of Trade and Commerce. It was purely a coincidence, and nothing in this legislation would be changed by one iota whoever happened to be minister. The minister has experienced advisers who were through the war with him, in the heads of the Canadian Commercial Corporation. During the war they were members of an organization that purchased over $13 billion worth of munitions and supplies within something like five or six years. I doubt whether anywhere in the world can be found a group with wider experience in purchasing defence materials than is to be found in the Canadian Commercial Corporation, who are the advisers of the Minister of Trade and Commerce of the day, as far as the purchase of defence supplies is concerned.

I have a number of notes here, but if I followed them I am afraid the debate would take rather a frivolous turn. I believe I have stated the facts. If there are those who believe it would be preferable to retain the wartime powers and use them in peacetime instead of those suggested in this legislation, they would be quite justified in voting against this bill. Those who believe we should have a peacetime act for a peacetime period will, I believe, find little justification for voting against this bill.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: No.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Howe) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Ashbourne
Beaudoin
Benidickson
Blue
Boisvert
Boivin
Bonnier
Bourget
Bradette
Brisson
Brown (Essex West)
Bruneau
Byrne
Cameron
Campney
Cannon
Carter
Cauchon
Cavers
Claxton
Cleaver
Cloutier
Conacher
Corry
Cote (Verdun-La Salle)
Cruickshank
Dechene
Decore
Demers
Denis
Dewar
Douglas
Dube
Dumas
Eudes
Eyre
Ferrie
Follwell
Fournier (Maisonneuve-Rosemont)
Fulford
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gibson
Gingues
Gosselin
Gourd (Chapleau)
Harris (Grey-Bruce)
Harrison
Healy
Hellyer
Helme
Hetland
Hosking
Howe
Hunter
Jeffery
Jutras
Kent
Kickham
Kirk (Digby-Yarmouth)
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Lesage
Little
Macdonald (Edmonton East)
MacDougall
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McWilliam
Major
Masse
Matthews
Maybank
Mayhew
Monette
Mott
Mutch
Nixon
Pearson
Picard
Pinard
Prudham
Richard (Gloucester)
Richard (Ottawa East)
Roberge
Robertson
Rochefort
Rooney
St. Laurent
Simmons
Sinclair
Sinnott
Smith (Queens-Shelburne)
Smith (Moose Mountain)
Stick
Stuart (Charlotte)
Studer
Thomson
Tremblay
Valois
Ward
Warren
Weaver
Weir
Welbourn
Winkler
Wood—127.

NAYS

Messrs:

Adamson
Aylesworth
Beyerstein
Black (Cumberland)
Blair
Browne (St. John's West)
Bryce
Casselman
Charlton
Coldwell
Courtemanche
Coyle
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Fulton
Gagnon
Graydon
Green
Hansell
Harkness
Hees
Herridge
Hodgson
Johnston
Jones
Knowles
Lennard
Low
Macdonnell (Greenwood)
McGregor
McLure
Murphy
Poulin
Ross (Souris)
Shaw
Thomas
Tustin
White (Hastings-Peterborough)
White (Middlesex East)
Wylie—44.

Mr. Mitchell: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted for the motion.

Mr. Catherwood: I was paired with the hon. member for Kent, Ont. (Mr. Huffman). Had I voted, I would have voted against the motion.

Mr. Howe moved that the house go into committee on the bill.

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

Some hon. Members: Six o'clock.

Mr. Howe: I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

BUSINESS OF THE HOUSE

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, two bills were passed in the Senate, one to amend the Trust Companies Act and the other to amend the Loan Companies Act. I spoke to representatives of the opposition parties earlier today. If by consent they could be given first reading, they could be distributed and could appear on the order paper for second reading, after which I would hope they could be referred to the banking and commerce committee. They are Bills 307 and 308.

Some hon. Members: Agreed.

TRUST COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved the first reading of Bill No. 307 (from the Senate) to amend the Trust Companies Act.

Motion agreed to and bill read the first time.

Loan Companies Act

LOAN COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved the first reading of Bill No. 308 (from the Senate) to amend the Loan Companies Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Harris (Grey-Bruce): Tomorrow we might have second reading of these two bills in order to refer them to the banking and commerce committee. Thereafter we shall proceed with Bill No. 302, which we have just been on. Then we shall take the notice of motion dealing with the financing of the Canadian National Railways and advance that one stage. After that, we shall go into committee of supply, taking up the Departments of Citizenship and Immigration, Labour, Public Works and Secretary of State.

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

HOUSE OF COMMONS

Thursday, June 15, 1950

The house met at eleven o'clock.

LIBRARY OF PARLIAMENT

CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. E. T. Applewhaite (Skeena) moved:

That the report of the joint committee on the library of parliament, presented on June 6, 1950, be concurred in.

Mr. Jean François Pouliot (Temiscouata): Before this motion passes I should like to say a word about the committee business of the house. Yesterday we heard the leader of the opposition (Mr. Drew) complaining about his lack of ubiquity, but he himself asked for the formation of many committees, and he has been caught in his own trap.

Motion agreed to.

OFFICIAL SECRETS ACT

EXTENSION TO EMPLOYEES OF COMMISSIONS, ETC.—APPLICATION TO OFFENCES COMMITTED OUTSIDE CANADA

Hon. Stuart S. Garson (Minister of Justice) moved for leave to introduce Bill No. 309, to amend the Official Secrets Act.

Some hon. Members: Explain.

Mr. Garson: Mr. Speaker, the bill will provide four amendments to the Official Secrets Act. First, it will extend the expression "office under His Majesty" to include employees of commissions, corporations and other agencies of the crown. Second, it will give an extraterritorial effect to the act by making it applicable to offences committed outside of Canada by Canadian citizens, or to persons who in another country have communicated information which they obtained during the time that they owed allegiance to Canada. Third, it will increase the penalties under the act, and fourth, it will also remove any doubt that persons charged under the act for offences against the act under part XV of the Criminal Code relating to summary convictions may be fingerprinted.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX ARREARS

Mr. Diefenbaker:

1. What was the total amount of arrears of income tax due, by provinces, as of March 31, 1950?

2. Of such amount, how much was in arrears respectively for (a) 1 year to 7 years inclusive; (b) 8 years to 15 years inclusive; (c) 20 years; (d) over 20 years?

Mr. McCann:

1. As of the 15th March, 1950, the latest date to which collection statistics are available, the arrears of income tax by provinces (individuals and corporations) assessed and unpaid were as follows:

Province	Total Arrears
Prince Edward Island	$ 912,417
Nova Scotia	2,980,103
New Brunswick	1,977,567
Quebec	21,214,662
Ontario	31,590,932
Manitoba	3,395,417
Saskatchewan	2,975,696
Alberta	5,204,980
British Columbia (including Yukon)	11,653,369
	$81,905,143

2. Collection statistics of the taxation division are not maintained in such a manner as will permit specific answers being given to this part of the question. The following information is, however, furnished:

Amounts in arrears less than 1 year:

Prince Edward Island	$ 295,108
Nova Scotia	1,396,517
New Brunswick	968,406
Quebec	12,967,175
Ontario	14,548,270
Manitoba	1,685,901
Saskatchewan	2,075,540
Alberta	3,223,042
British Columbia (including Yukon)	7,314,200
	$44,474,159

Questions

Amounts in arrears from 1 to 5 years:

Prince Edward Island	$ 615,584
Nova Scotia	1,438,374
New Brunswick	830,330
Quebec	6,756,739
Ontario	14,495,385
Manitoba	1,123,897
Saskatchewan	848,837
Alberta	1,912,687
British Columbia (including Yukon)	3,977,205
	$31,999,038

Amounts in arrears over 5 years:

Prince Edward Island	$ 1,725
Nova Scotia	145,212
New Brunswick	178,831
Quebec	1,490,748
Ontario	2,547,277
Manitoba	585,619
Saskatchewan	51,319
Alberta	69,251
British Columbia (including Yukon)	361,964
	$ 5,431,946

HEALTH AND WELFARE—"DIETARY DITTIES"

Mr. Smith (Calgary West):

1. Who writes the feature in *Canada's Health and Welfare* known as "Dietary Ditties?"

Specifically, who wrote No. 37, in volume 5, No. 8, of May, 1950, which reads as follows: "When work piles so high you can't see and you feel you've been shoved up a tree, you won't lose your wit, or fly into a fit, if you're eating your vitamin B?"

2. What did this poetry cost, including the cost of the accompanying cut?

Mr. Martin: "Dietary Ditties", a little humorous device for teaching simple nutrition lessons, appears regularly in *Canada's Health and Welfare*. It is written by members of the staff of the nutrition division, usually in their own time.

The cost of each illustration is approximately $20. It is impossible to estimate the cost of printing because it represents a very small fraction of the cost of producing a single page of the magazine by offset lithography.

Numerous requests have been received by the department for permission to republish "Dietary Ditties". For instance, the United States national publicity council for health and welfare services called attention in its monthly bulletin to this feature as an interesting way of teaching simple nutrition lessons; this resulted in a great many requests for use in house organs and health education publications. In Canada "Dietary Ditties" is being used by a large number of weekly newspapers and house organs, such as Confederation Life Bulletin, Toronto; Hydro News (Hydro Electric Power Commission of Ontario); National Labour Journal, Ottawa; the house organ of the Rubberset Company Limited, Gravenhurst, Ontario, etc.

TRANS-CANADA AIR LINES—USE OF U.S. AIRPORTS IN NEWFOUNDLAND

Mr. Higgins:

Are landing fees charged Trans-Canada Air Lines planes for the use of Harmon field, the United States air base at Stephenville, and the air field at the United States naval base at Argentia, Newfoundland?

Mr. McIlraith: Yes. Landing fees are charged in accordance with tariffs established by the United States armed services and/or the Canadian Department of Transport.

NATIONAL PARKS—VISITORS IN 1949

Mr. Matthews:

1. What was the number of visitors to each of the four largest Canadian national parks for the calendar year 1949?

2. What was the number for each park in each month, June to September inclusive, 1949?

Mr. Prudham:

1.

Jasper	84,292
Banff	454,902
Prince Albert	52,403
Riding Mountain	294,693

2.

	June	July	August	September
Jasper	10,210	31,469	26,944	9,808
Banff	57,537	140,570	90,755	47,750
Prince Albert	8,727	22,221	13,931	3,661
Riding Mountain	40,884	106,103	84,100	28,773

JAPANESE PEACE TREATY

INQUIRY AS TO MEETING OF COMMONWEALTH REPRESENTATIVES IN LONDON

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Press dispatches indicate that the conference of eight British commonwealth nations held last month in the United Kingdom to discuss the terms of a peace treaty with Japan has now been concluded. Can the minister tell us when it will be possible for us to have a report on the results of the conference?

Hon. L. B. Pearson (Secretary of State for External Affairs): The conference to which the hon. member refers was not so much a conference as a meeting of commonwealth representatives in the form of a working party to continue the discussions carried on at Colombo of what might be included in a Japanese peace treaty. The meeting took place in London, and was attended by a Canadian representative, our alternate on the Far Eastern commission. It has been completed, and possibly I may be able to make a report on some aspects of the discussion when my estimates come up in the very near future.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to ask the Prime Minister if he can tell the house what further legislation the government expects to bring down during the present session. I noticed that another bill was introduced today.

Right Hon. L. S. St. Laurent (Prime Minister): I think we now have everything we have in mind either before this house or in the other place. I should not like to make a firm commitment, but I think that is so. At this moment I do not remember anything we have considered that is not already before this house or the other place.

TRUST COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 307, to amend the Trust Companies Act.

He said: Mr. Speaker, yesterday afternoon the house was good enough to give unanimous consent to first reading of this bill, and a companion bill, 308, to amend the Loan Companies Act. My reason for asking for that was that the banking and commerce committee is now sitting, and I am anxious to have these two bills referred to it, as was done with the bills amending the insurance law.

In the case of the bill amending the Trust Companies Act, now before the house, while that act was rather extensively revised in 1947, a few further amendments appear desirable at this time in order to bring the investment powers of the trust companies in line with the amendments made in the case of insurance companies. Some further technical amendments are also required. It also appeared appropriate to clarify or correct some of the existing provisions.

Perhaps it might be convenient if I dealt with the Loan Companies Act now in my explanatory statement. It is a companion bill, and here again the amendments are very similar to those made to the Trust Companies Act. They relate to the investment powers, and the purpose is to bring them in line with the amended powers to which I have referred. As in the case of the insurance company bills, the superintendent of insurance will be available before the banking and commerce committee to give detailed explanations of the proposed amendments.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, it seems to me that the suggestion of the minister is a wise one. I understand that the amendments have been prepared in conjunction with officials of the department, and that we shall have the advantage of having them available before the committee.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

LOAN COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 308, to amend the Loan Companies Act.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

DEFENCE SUPPLIES

PROVISION FOR PURCHASE OR ACQUISITION, STORING OF MATERIALS, ETC.

The house resumed, from Wednesday, June 14, consideration in committee of Bill No. 302, respecting defence supplies and projects—Mr. Howe—Mr. Beaudoin in the chair.

On section 1—*Short title.*

Mr. Green: How will the money be obtained that is required to carry out the operations under this bill? Will it come from the estimates submitted by the Department of Trade and Commerce, or from those of the Department of National Defence?

Mr. Howe: Since the inception of civilian buying the practice has been that the requisition is accompanied by a certificate of encumbrance on the estimates of the armed services. In other words, we get a requisition to procure a certain supply, and at the same time we get a certificate of encumbrance

from the Department of National Defence making the cost of that supply a charge on the defense estimates.

Mr. Green: Then the amounts would appear in the estimates for the present fiscal year under the Department of National Defence?

Mr. Howe: That is right.

Mr. Green: Certain power is also taken in connection with the construction of ships for other departments. How would that money be provided?

Mr. Howe: It is provided in exactly the same way; that is, any requisition on the Minister of Trade and Commerce for the procurement of any supply has to be accompanied by a certificate of encumbrance charged on the estimates of the department making the requisition. The funds of the Canadian Commercial Corporation are used in connection with transactions where payment is made on delivery—that is, transactions on behalf of foreign governments, or for stockpiling purposes.

Mr. Macdonnell (Greenwood): I wonder if the minister would now be good enough to answer the question I have asked previously. Would he give us an illustration of a case where he could not carry out the requirements of the defence department with the ordinary powers he now has, and in which these new powers are needed? I have been asking for that, but I have never got it.

Mr. Howe: If there were any new powers under this legislation I could give the explanation, but no power is contained in this bill that the Minister of Trade and Commerce or his predecessor the minister of munitions and supply has not had since 1939.

Mr. Macdonnell (Greenwood): I do not think the minister should go on singing that old song. We understand each other, I think. I understand what the minister means when he says he is not getting new powers, but in point of fact the powers contained in the munitions and supply act have been hardly availed of at all in these last years, as the minister in effect has admitted. I am now asking what there is the minister cannot do without the powers under the munitions and supply act, which would make this new legislation necessary. In other words, why can he not go into the market in the ordinary course of business and with the ordinary powers with which he is clothed? Why are these new powers necessary? I hope the minister will give me an answer and not fall back on that old hair-splitting device he has used. He is much too big for that.

[Mr. Howe.]

The Deputy Chairman: Order. Could we not discuss the powers of the minister under section 3?

Some hon. Members: No.

Mr. Macdonnell (Greenwood): Well, I do not know that I care very much whether the discussion is on section 1 or on section 3, but I thought section 1 was the place to ask general questions, and I have already asked this question once or twice. I am sure the minister would just as soon answer it under section 1, and he would be just as unwilling to answer it under section 3 as he is now.

Mr. Howe: What my hon. friend is asking is why the purchase of defence supplies requires any powers whatever, other than the power to make the purchase. I think that is what he has in mind. He speaks of new powers, but there are no new powers contained in this bill. I wish he would see eye to eye with me on that, because as a matter of fact the powers contained in this bill have been in the legislation under which the appropriate minister has been operating, and they are the only authority he has or has had for defence purchasing.

Mr. Green: You mean the Department of Munitions and Supply Act?

Mr. Howe: Yes. Let us say we will depend upon the ordinary purchasing technique, and place a contract for a very urgent unit of defence. The position will be like any contract placed by the Department of Public Works or any other department; there is no way to compel delivery on time. Perhaps my hon. friend is not as familiar with government purchasing as I am, but I can assure him that there is a tendency on the part of contractors to feel that the government is a very good and kind client and will not be too rough if he does not finish on time, whereas the same contractor may have a private buyer who is pretty rough, so he will do the last mentioned job first. In other words the government is apt to take second place to private contractors if we do not have this power to demand priority. The same situation exists with respect to supplies. At the moment supplies are fairly easy and this legislation probably would not be needed at this time. If this market tightens up much more, however, it may be very difficult to carry out defence purchases unless we have the power to requisition raw materials.

Mr. Macdonnell (Greenwood): I am interested in what the minister has just said, and I took down his words. He said probably the legislation would not be needed at this time; is that right?

Mr. Howe: Yes.

Mr. Macdonnell (Greenwood): I want to be sure I am quite correct. In other words the minister tells us that what was railroaded through yesterday is not necessary at this time. We told him yesterday that when we were satisfied there was an emergency and it became necessary we would be prepared to vote for it.

Mr. Howe: On a point of order, Mr. Chairman, my hon. friend speaks of railroading. He seems to think that when anything is put through the house with which he does not agree, it is railroaded. As I remember the vote on second reading of this bill it was 127 in favour of the bill and 44 against. Is that railroading, or is that the will of the majority of the members of this house?

Mr. Ross (Souris): It is the will of the government whip.

Mr. Macdonnell (Greenwood): I think the minister is quite right, and I will take back that word. I will say it was passed.

Mr. Howe: I appreciate that.

Mr. Macdonnell (Greenwood): I come back to the first point. The minister has said this is not necessary at this time, but I need not go over that again; as he says, the bill was given second reading yesterday. However, I do want to comment on the answer just given by the minister in which he said government contracts might be left until the last, and just completed when it was convenient. My comment on that would be, first, that I do not believe and I do not think anyone else in this house believes that anyone contracting or dealing with the Minister of Trade and Commerce would be inclined to proceed in that way, because the minister is a fairly forceful fellow, and he has a good deal of power. The second point, which I want to make as strongly as I can, is that if it were clear that the requirement of the minister was in connection with national defence, nothing would make me believe that there would be the difficulty which the minister represents. I want to repeat, and I hope the house will take note of the fact, that the minister says this legislation is probably not needed at the present time but that it may be needed at some future time. At some future time we would have been ready to vote for it, when it was needed.

Mr. Howe: Let me straighten out that matter. I said the power to demand priority is needed at the present time. I said the power to requisition probably is not needed at the moment, but that we are moving into a tighter market and it might be needed at any time.

Mr. Pouliot: I should like to know who, if anyone, might be called upon to substitute for the minister in handling these matters.

Mr. Howe: If a substitute is needed it will be the Acting Minister of Trade and Commerce appointed by the Prime Minister for that purpose.

Mr. Pouliot: The Acting Minister of Trade and Commerce?

Mr. Howe: Yes.

Mr. Pouliot: I can tell the minister that I have had unpleasant experiences with the Canadian Commercial Corporation, and I wondered if that corporation would have anything to do with it.

Mr. Howe: The Canadian Commercial Corporation assists the minister in carrying out the provisions of this act, but the minister has the responsibility.

Mr. Pouliot: I know that, but my complaint is that we do not know the salaries paid to the officials of crown companies. I should like to have a chart showing the salaries and functions of the various officials of the Canadian Commercial Corporation as well as other crown companies. I am not an opponent of the government; I am a supporter of it. During the war and since, it has always been my stand in the house that the salaries paid these officials should be made known. We vote the money here, and we want to know how it is spent. These gentlemen may or may not be good, but at least we should know the amount that is paid to them by way of salary, or whatever it is called, and the amount that is paid for their travelling expenses.

I did receive a chart of another crown company showing the names of the personnel and their functions, but not their salaries. Why is it impossible to obtain that information? As a member of parliament representing a constituency in Canada I believe that all the members should be informed as to the amounts paid to civil servants, high or low.

Mr. Low: And presidents and past presidents of railways.

Mr. Pouliot: I shall tell my hon. friend that I am a member of the railway committee, and when that matter came before the committee the members would not insist on having the information. That applies to the members of the hon. gentleman's group as well, because they did not insist on having that information. I am bound therefore by the decision of my colleagues who were members of that committee.

Mr. Knowles: Surely that does not bind the rest of us in this house.

Mr. Pouliot: It does not bind the rest of the house, but as a member of the committee I am informing the house what happened. It is all public knowledge. The members are free to ask whatever questions they desire, but in this matter I do not want anyone in the civil service to do otherwise than respect our parliamentary institutions and parliament as a whole. There seem to be two categories of people, members of parliament whose salary is mentioned in the newspaper as being too high, and men rendering a public service whose salaries are not disclosed. I am not attacking them, but it is only fair that we should know how much they cost the country. I am asking the minister if he will be kind enough to give us a chart of the Canadian Commercial Corporation.

Mr. Howe: Mr. Chairman, it has not been the policy of the government to disclose the salaries of employees of crown corporations engaged in commercial enterprises. Such corporations are working in a competitive field, and to disclose the salary of a first-class man is usually to invite competing firms to bid for his service and overbid the government corporation. This rule has been applied for years to Canadian National Railways with the endorsation of this House of Commons. Certainly in an enterprise such as the Polymer Corporation, which is in a highly competitive field, it would be unwise. Canadian Commercial Corporation has its own sources of revenue. The money paid to its employees is not voted by parliament but is earned through the activities of the corporation. For that reason I believe the usual practice should be followed, and the salaries of the employees not disclosed.

Mr. Pouliot: I am sorry to disagree with the minister. He cannot complain about my intentions, because some years ago I paid him the greatest tribute ever paid to anyone in the House of Commons. I have a personal admiration for him, because I know he is a man of action. But with regard to what he has said, the work done by the Canadian Commercial Corporation was previously handled by the Department of Public Works. The salaries of the various officials of the Department of Public Works are made known in the public accounts. If the work was done previously by civil servants of the Department of Public Works, whose salaries were made public, I do not see why the same thing could not be done now that we have another organization that is working in mystery. I am against that sort of mystery with regard to finance. It was the stand of my great-grandfather, who voted for the ninety-two resolutions for the establishment of responsible government. The stand of my grandfather and of my father has been my stand,

[Mr. Knowles.]

that we should know how the money is spent which we are called upon to vote. There is no man so important that he should live in a cloud of mystery.

I shall tell the minister something else, and in a most friendly manner: it is the members of parliament who are responsible for what is done by these crown corporations. If any one of my constituents comes to me and asks how much the president, general manager, or anyone else in the Canadian Commercial Corporation receives, and I am not in a position to answer him, I shall be remiss in my duty. It is because I do not want to be remiss in my duty that I am insisting upon this information. I know the minister has his own views on the matter, but I shall tell him that he can be sure the men who work in the Canadian Commercial Corporation will no more leave their jobs than those who work in any other government department, and whose salaries are mentioned in the public accounts. I believe that is a fair statement, and I do not make it to embarrass the minister. I am merely expressing a deep personal belief, that we should know all about the expenses. This prevents abuses. How many crimes are committed in the darkness of the night? Few are committed in daylight. When parliament does not know the amount of an expenditure, there may be abuses. People will not know about it, and it was for that reason I asked for the reform of the public accounts. It took me about two years to get it from the then minister of finance, Mr. Ilsley, but some amounts were not mentioned in the public accounts at that time. I insisted on that information, and finally the then minister of finance said he would give it to me. My demand was supported by Mr. MacNicol and Tommy Church. I pay tribute to my friends who are no longer here, but we did a good job in having the public accounts straightened out.

I am not opposed to the government; I support the government. I tell the minister that it is time to stop these crown companies; it is time to have responsibility. If we read the act we find it is the minister who is responsible, and he is responsible to the House of Commons. But if the Canadian Commercial Corporation does something, who will know about it? If the Bank of Canada does something, we have a report that means nothing. I have nothing to add, because I have expressed myself clearly on the subject.

Mr. Gibson: Will the minister explain how the provision works out in the event that he exercises his authority to demand the delivery of certain products? Unquestionably

these suppliers will have commitments to private concerns, and it is possible that these private concerns would be occasioned a loss in a transaction of that kind, where the minister stepped in. I suggest it is quite proper the minister should step in where defence supplies are concerned, but is any provision made to take care of these private customers if a loss is actually occasioned?

Mr. Howe: If the government intervenes to prevent the delivery of a contract, that constitutes a *force majeure*, which is a good defence in any private contract. That defence was invoked during the war a good many times, and the defence was always upheld, when the delivery was prevented by the government's requisitioning of the materials.

Mr. Harkness: I should like to ask the minister a question in connection with a statement which he has repeated several times, to the effect that this act, rather than adding to his powers, reduces them. Is it not a fact that the powers which the minister had and exercised under the Department of Munitions and Supply Act were due to a large extent to the fact that the War Measures Act was in effect, that the War Measures Act enabled the minister to exercise fully or completely the powers which were outlined in the Department of Munitions and Supply Act; that when the War Measures Act came to an end, the various safeguards and so forth provided for in the act which this present bill proposes to do away with, the Defence Purchases, Profits Control and Financing Act, 1939, came into effect and that when the War Measures Act ceased to be operative, the various safeguards provided for in the Defence Purchases, Profits Control and Financing Act, 1939, materially limited the powers outlined in the Department of Munitions and Supply Act? If that is so—and so far as I can see, it is—when we abolish the Department of Munitions and Supply Act and the Defence Purchases, Profits Control and Financing Act, 1939, and substitute this new act for them, it seems to me that in effect we have really given a considerable increase in powers.

Mr. Howe: The Department of Munitions and Supply Act is an act of the parliament of Canada. It has exactly the same validity as the War Measures Act, which is also an act of the parliament of Canada. The Department of Munitions and Supply Act has never depended on the War Measures Act for its validity at any stage.

Mr. Harkness: It was not a matter of its depending for its validity on the War Measures Act. My question was this. Was it not a fact that the existence of the War Measures Act made it possible for the minister to exercise, you might say, fully or completely the powers laid down in the Department of Munitions and Supply Act? And when the War Measures Act came to an end, then the limitations imposed by the Defence Purchases, Profits Control and Financing Act, 1939, came into effect once more and served thereby to limit those powers.

Mr. Howe: If my hon. friend will read carefully the Department of Munitions and Supply Act, I think he will find that the provisions are made valid regardless of any other statute of the parliament of Canada.

Mr. Pouliot: Mr. Chairman, I have forgotten something. It is that there are many Tories in the Canadian Commercial Corporation. They are there; they enjoy the office and they run the show. I challenge the members of the Conservative party to support my stand to have disclosure made of the names and salaries paid to these people. They will not move. They will not say a word because they are their own friends. They are not Liberals. They are Tories to the core, and this is why we have so much trouble from them.

The Deputy Chairman: Order.

Mr. Pouliot: I will just be another minute, if I may have your indulgence, Mr. Chairman. I will not insist any more upon my point, but I will only say that if the minister fires the Tories from the Canadian Commercial Corporation and from the other crown companies, the country will then be able to breathe freely.

Mr. Graydon: May I accept the challenge of the hon. member for Temiscouata with great pleasure and ask the minister if he will not produce to this committee the salaries and the names of these men in the Canadian Commercial Corporation.

Mr. Howe: We will not.

Mr. Graydon: After all, because a man happens to belong to any particular party I do not think that fact gives him any reason to hide behind any kind of legislation. I agree with the hon. member for Temiscouata; I think that information ought to be produced to the committee. If the public pays a man a certain sum of money to do a job for the public, I do not think there is any reason under the sun why the public should not know who the man is, first of all, and, second, how much the public pays.

Mr. Pouliot: I thank the hon. gentleman. Now I challenge the C.C.F. group and the Social Credit group, because there are some C.C.F.'ers and some Social Crediters in those

crown companies. I want them fired. I want only Liberals to enforce Liberal policies in those crown companies. Let us fire the Tories, let us fire the C.C.F.'ers and let us fire the Social Crediters so that we may have a real Liberal administration.

Mr. Hodgson: I quite agree with the hon. member for Temiscouata. I happen to be the member who put on the order paper these questions asking for the salaries and the expenses of the officials of the crown corporations, and also of the C.N.R.; and I am the man who was refused the answer.

Mr. Knowles: The challenge that the hon. member for Temiscouata has thrown out is not one that anyone in this part of the house needs to respond to, because we have been asking for that sort of information all along. But I am interested in the barefaced admission by the hon. member for Temiscouata that he wants political patronage in the Canadian Commercial Corporation.

Mr. Pouliot: I will tell the hon. member that he is greatly mistaken with regard to patronage. We have no patronage.

Mr. Hodgson: Oh, yes; you have. You have admitted it.

The Deputy Chairman: Order.

Mr. Pouliot: On a question of privilege, I will tell the hon. member that the work that the supporter of the government does in any department is a burden; it is done not to his personal advantage but to the advantage and satisfaction of his constituents at large and to maintain peace and order in the community. There is no pay of any kind.

Mr. Hodgson: Mr. Chairman, I resent the remarks made by the hon. member for Temiscouata, to the effect that there is no patronage in the corporation under government control. There is patronage; it is done right in my own town of Lindsay, and I can prove it.

Mr. Fulton: He wants more.

Mr. Pouliot: I told you before that you were an exception.

The Deputy Chairman: Order. The bill before us is Bill No. 302, and we are dealing with clause 1, which reads:

1. This act may be cited as the Defence Supplies Act.

Shall clause 1 carry?

Some hon. Members: Carried.

Mr. Graydon: Is the hon. member for Temiscouata not going to press this thing to a conclusion, or is he just going to let it be dropped?

[Mr. Pouliot.]

Mr. Pouliot: I have said what I have to say.

Mr. Graydon: No. You have not said nearly as much as you have said on other occasions. Keep after him.

Mr. Pouliot: I have said enough.

The Deputy Chairman: Order.

Mr. Graydon: You have our support. Don't let it drop now.

The Deputy Chairman: Order.

Mr. Graydon: You can't let it drop now.

Mr. Pouliot: I fight to the last.

The Deputy Chairman: Order.

Mr. Graydon: Surrender.

Mr. Pouliot: I have fought—

Mr. Graydon: Retreat.

Mr. Pouliot: Never.

The Deputy Chairman: Order.

Mr. Pouliot: Don't tell me that. I cannot accept it.

The Deputy Chairman: Order. I do not think that this sort of amicable discussion should be carried on. All hon. members should address themselves to the chair, and should rise when they want to speak. This Canadian Commercial Corporation discussion is not quite in order on the first clause of this bill. I think it could more properly take place on item 423 of the estimates of the Department of Trade and Commerce, under whose jurisdiction the Canadian Commercial Corporation comes. I would therefore ask hon. members to make their remarks as relevant as possible to the clause which is under discussion.

Mr. Rowe: We have had a lot of humorous banter back and forth, but I listened with keen interest to the hon. member for Temiscouata. I have been impressed by many of his remarks in this chamber. I know we all respect the long tradition of his family in parliamentary service. I listened intently to his remarks. I think they were well taken. I find myself in agreement with him a hundred per cent. If he had not risen to withdraw his earlier remarks, I would have thought it was only in keeping with his—

The Deputy Chairman: I will have to ask the hon. member to speak to the first clause of the bill. This has to stop somewhere. When the discussion goes out of order at one time or another, one hon. member must set the example and put the discussion back in order. It is difficult to decide at what time or at what point a discussion is completely out of order. I think hon. members

will agree that the discussion on the Canadian Commercial Corporation has been carried on too long and has been out of order. At this point I would ask hon. members to discuss clause 1 of the bill.

Mr. Rowe: Surely, Mr. Chairman, it is not out of order to suggest that the hon. member for Temiscouata is correct in asking that these records be tabled. In that connection I do wish to point out that while he referred to the opposition as not being too keen—

The Deputy Chairman: Order. On this first clause it is my duty to point out that it is out of order to ask that the records and salaries of the officials of the Canadian Commercial Corporation be tabled. That would more properly be done on the estimates. Under item 423, the first item of the Department of Trade and Commerce estimates, a general discussion can take place. The Canadian Commercial Corporation falls under that item; therefore its affairs can be discussed under that item, but not under this clause.

Mr. Pouliot: Thank you, Dufferin-Simcoe; you are an antidote to the poison of Peel.

Mr. Rowe: I am sorry if the hon. member for Temiscouata, who has been here slightly longer than I have been, was out of order along with myself. I only wish to add that I hope the committee has taken cognizance of the fact that he said he wanted all the Conservatives on the crown corporations fired and all the Liberals retained, regardless of their efficiency.

Mr. Green: Earlier in the discussion I asked the Minister of Trade and Commerce from what sources the money would be obtained for goods purchased, and he intimated that in most cases it would come from the money allotted to the Department of National Defence and, of course, in a minor degree from other departments, such as the Department of Public Works, and the Department of Transport, for which the minister could order ships and ship repairs. Are there any types of purchases in which the appropriation is from the minister's own department; in other words, instances in which the initiation of the purchase comes from the Department of Trade and Commerce? If so, of what types are those purchases?

Mr. Howe: The Canadian Commercial Corporation is the purchasing agent for the Department of Trade and Commerce. Anything the Department of Trade and Commerce buys is paid for by that department to the Canadian Commercial Corporation under the appropriate item in the estimates of the Department of Trade and Commerce.

Mr. Green: I am referring to defence supplies. Will there be any defence supplies purchases which will be initiated by the Department of Trade and Commerce, either through the Canadian Commercial Corporation, or in any other way originating with the Department of Trade and Commerce?

Mr. Howe: I do not know that any idea originates with the Department of Trade and Commerce; but stockpiling and purchases are made from the funds of the Canadian Commercial Corporation. The funds are placed at its disposal by parliament. For instance, we have purchased tin, antimony and a few other items, for stockpiling purposes. These were paid for first by the funds of the Canadian Commercial Corporation which were later replaced by vote of parliament.

Mr. Green: Apparently certain goods are being purchased for stockpiling by the Canadian Commercial Corporation. What particulars does parliament get of these purchases, both as to the goods themselves and as to the amounts paid?

Mr. Howe: The item appears in the next departmental estimates. The money is refunded to the Canadian Commercial Corporation from a vote of parliament, usually after the event, because the need for stockpiling cannot always be anticipated.

Mr. Green: At what stage are we told what goods are being stockpiled? Are we given particulars of the amounts spent for this stockpiling, or is that simply included in the money appropriated for the Canadian Commercial Corporation, without any particulars being given?

Mr. Howe: The moneys at the disposal of the Canadian Commercial Corporation are a revolving fund to be used only for meeting the immediate needs of the Canadian government, and to be replaced from some source in due course. I have reported to the house purchases of tin and antimony, and the exact cost of the purchases, and the exact quantity purchased.

Mr. Green: How is that reported?

Mr. Howe: In the estimates.

Mr. Green: In the minister's estimates?

Mr. Howe: Yes.

Mr. Green: Can the minister give us any statement now as to the stockpiling that is being undertaken by the Canadian Commercial Corporation?

Mr. Howe: I can obtain the information; it is not before me at the moment. We have a fair amount of tin and a fair amount of antimony, and I think one or two other items. I do not know that there is any secret about it. I will get the information.

Mr. Green: Where does the Department of National Defence come into these stockpiling operations? I should like to know which department decides what goods must be stockpiled. Apparently the stockpiling is done for war purposes. I should like to know who decides what should be stockpiled, and, in particular, what part the Department of National Defence plays in the stockpiling.

Mr. Howe: The Department of Trade and Commerce is the procurement agency for the armed services. If the department expects difficulty in carrying out its duties through shortages of raw materials, the Department of Trade and Commerce initiates the requisition for stockpiling. The treasury is always consulted to obtain its concurrence, and I feel quite sure that the Department of National Defence is consulted to obtain the concurrence of that department. It is quite easy to obtain that concurrence since it does not cost that department any money. The initiative comes through the Department of Trade and Commerce as the procurement agency.

Mr. Green: That is one situation which should be covered in the legislation. A person would think that the Department of National Defence should have the authority to decide what goods are to be stockpiled, or at least should be formally associated with the Department of Trade and Commerce in that decision. But apparently the decision is made by the Department of Trade and Commerce, and I suppose in effect by the Canadian Commercial Corporation officials; and then the cabinet finds out about it. The minister says that the Department of National Defence would naturally not object, because they are not going to have to pay for the goods. I can see that there is some good judgment of human nature in that statement. Does the minister not think it would be wise to provide in this measure that the Department of National Defence at least be associated with the Department of Trade and Commerce in the purchasing of these goods? Apparently the only case in which the Department of Trade and Commerce acts on its own initiative is in connection with stockpiling, which is done through the Canadian Commercial Corporation. I understand that in connection with all other purchases there is a requisition from the Department of National Defence. What would be the objection to having the legislation call for a requisition from the Department of National Defence in the case of stockpiling?

Mr. Howe: I do not know that there is any great objection, except that stockpiling involves far more than the direct needs of the armed services. If this country cannot obtain tin, it is not only the production of munitions that stops; the production of anything made from steel or alloys of steel stops also. It is the duty of the Department of Trade and Commerce, as the procurement agency, to procure in a manner that anticipates shortages. The Department of National Defence should not have to decide what materials are involved in an item that they may ask the Department of Trade and Commerce to obtain. That is the business of the procurement agency.

Mr. Green: This bill deals only with defence supplies; it is called the Defence Supplies Act. I realize that goods must be stockpiled for other purposes, but where we have a bill dealing only with defence supplies there should be a provision written into it that the Department of National Defence must be associated in all stockpiling for defence purposes.

Mr. Howe: I do not agree with my hon. friend. For instance, if the Department of National Defence requires so many uniforms a year, we know that in advance. The pattern is definite. It is part of the duty of the procurement agency to see that it is in position to get the cloth that is necessary. We know from experience that it is much easier to procure cloth in quantity than it is for individual items. We anticipate the needs of the services in procuring cloth as a temporary expedient. That is the ordinary business of a procurement agency. If we had to ask the Department of National Defence for permission to buy the ordinary things involved in procurement operations, I do not know just who in that department would be able to advise us on the matter.

Mr. Green: Drastic powers are provided in the bill for the requisitioning of supplies and for the establishing of priorities, and where those powers are used, surely the Department of National Defence should be made partly responsible. What is the objection to writing into the bill that the Department of National Defence must be a party to such requisitions?

Mr. Howe: It is not an objection; it is a lack of purpose in requiring concurrence. As I said, certain supplies are necessary to carry out the ordinary procurement duties of the department; so why should we ask anyone in the Department of National Defence whether it is wise to obtain them.

Mr. Green: You have the power now to make ordinary purchases in the regular business way, but I am referring to the special powers being conferred on the Minister of Trade and Commerce without any reference

whatever to the Minister of National Defence. I suggest that it would be some safeguard of the people's rights if the Minister of National Defence were associated in the exercise of these drastic powers.

Mr. Macdonnell (Greenwood): A moment or two ago the minister said that it was easy to get the concurrence of the Department of National Defence because it does not cost that department any money. I think he was then referring to stockpiling. When the minister used that phrase, did he mean that at the moment they did not pay any money, or that the time never comes when they would have to pay? If he meant that, would the minister indicate the origin of the money that would be used to pay for these?

Mr. Howe: Any long-range stockpiling is paid for by a vote passed by parliament. With month to month stockpiling, such as that in anticipation of an order for uniforms, the Department of National Defence would pay for the cloth when they pay for the uniforms. I would not think of requiring the permission of the Department of National Defence in connection with a purchase of cloth for uniforms. The two departments work closely in procurement matters, and the Department of National Defence would likely know that we are taking those steps; but to get formal permission is another matter.

Mr. Macdonnell (Greenwood): I understand that there is a revolving fund for the use of the Canadian Commercial Corporation, but I have forgotten whether it is set up in the statute.

Mr. Howe: A fund of $10 million is set up by statute, and is drawn on as required. The Canadian Commercial Corporation does not keep the $10 million in the bank; it has a drawing account on the treasury up to $10 million.

Mr. Macdonnell (Greenwood): Does that operate like the transport stores act? That is to say, to the extent that purchases are taken up by the department under their estimates, the fund is used?

Mr. Howe: Yes.

Section agreed to.

Section 2 agreed to.

Section 3—*Powers of minister.*

Mr. Fulton: Yesterday, when answering comments on the second reading, the minister said that the power to require deliveries within a certain time applied, as I understood him, only to those who had contracts for the supply of materials.

Mr. Howe: No.

Mr. Fulton: That was not my interpretation of this section.

Mr. Howe: What section is my hon. friend referring to?

Mr. Fulton: I am referring to section 3, paragraph (f). Under that paragraph the minister would have power to compel deliveries within a certain time limit, even though the person to whom he goes has not a formal contract for the supply of the goods.

Mr. Howe: That is quite correct. My reference to contracts was in connection with paragraph (e), which reads:

> (e) require any person who is obligated by any contract to deliver any defence supplies or to construct or carry out a project or to furnish any services, to perform that contract in such priority to that person's other business and within such period of time, not shorter than the period, if any, stipulated in such contract, as the minister may specify.

That concerns priorities, but a requisition may be made on anyone who has stock in hand.

Mr. Fulton: But when you exercise that right you also have the right under (f) to set a time limit within which he must deliver the goods which are being requisitioned; is that correct?

Mr. Howe: The requisition would refer to a stock in hand, and it is assumed that the requisition would be complied with immediately.

Mr. Fulton: I want to get that clear. The minister says that the requisition would only be in reference to a stock in hand, but I want to get a clear understanding of just what power the minister has. As I read paragraph (f) the minister has the power to go to someone who has a stockpile, or has in his possession or control goods which the minister desires to possess or use for some defence contract, and he can say to that person, "I make you an offer of a specific amount for those goods, and you must deliver at that price and within such and such a time."

Mr. Howe: Yes; that is correct.

Mr. Fulton: You have that power under (f).

Mr. Howe: That is right.

Mr. Macdonnell (Greenwood): Subsection 1 (c) of section 3 reads:

> Construct or otherwise acquire, carry out, develop, repair and maintain any project.

In the preceding section "project" is defined as meaning a building, airdrome, airport, dockyard, fortification, road or other work required for the purposes of defence. Will the minister suggest a limitation of any kind on that? The minister may say that

there are certain financial limitations, but is there anything to prevent the minister from making a contract involving very large commitments for the government?

Mr. Howe: No, there certainly is not. If we have a requisition to create a project for the Department of National Defence, and the requisition has come to the minister in the normal way, it does not matter whether it is for $1 million or $50 million; the duty of the procurement agency is to go and procure the project.

Mr. Macdonnell (Greenwood): I am not quite clear on this. My understanding is that this is a direct power to the minister. Did I understand the minister to say a moment ago that the projects would be only such as came from a department and within the limitations of the funds of that department?

Mr. Howe: Certainly.

Mr. Macdonnell (Greenwood): Then what is the distinction between that and what we were talking about a few moments ago, where the minister's department went ahead on its own? Was that merely with regard to stockpiling?

Mr. Howe: That is all.

Mr. Macdonnell (Greenwood): Then these other projects are all projects within the four corners, so to speak, of the estimates of the Department of National Defence.

Mr. Howe: That is right.

Mr. Green: Subsection 1 (c) of section 3 certainly does not restrict the minister to projects which are required by the Department of National Defence.

Mr. Howe: Then what does clause (d) of section 2 mean? Will my hon. friend read that?

Mr. Green: Section 2 (d) reads:

"Project" means a building, airdrome, airport, dockyard, fortification, road or other work required for the purposes of defence.

The defect is that there is no provision that it must be requisitioned by the Department of National Defence. There is no provision that this power can be exercised only upon requisition by or with the concurrence of the Department of National Defence. The minister has already said that he does not have to get the concurrence of the Department of National Defence for stockpiling, and under this clause he does not require the concurrence of the Department of National Defence for the construction of a project. Is it the intention that the Minister of Trade and Commerce shall be able to go ahead with a project without the concurrence of the Department of National Defence?

Mr. Howe: The funds must be voted by parliament in some department. I do not know that there is anything to prevent the minister or the Canadian Commercial Corporation from proceeding with a project that is voted in his own department. As I said before, the minister and the Canadian Commercial Corporation are agents of the department in all procurement matters. One of the duties of the minister is to procure for the Department of National Defence.

Mr. Green: That is only one of them?

Mr. Howe: Yes.

Mr. Green: Then the minister makes it perfectly clear that the Department of Trade and Commerce can initiate and carry through a defence project without any request from or concurrence by the Department of National Defence?

Mr. Howe: Mr. Chairman, to carry out any project involving money the Department of Trade and Commerce has to get an order in council of the government of Canada. The Minister of National Defence is a member of the government, and I assume if it were a defence project we could hardly get approval unless it had the endorsement of the Minister of National Defence.

Mr. Green: I think the minister's answer to that question makes it perfectly clear that the Department of Trade and Commerce is intruding on the work of the Department of National Defence, and is assuming responsibilities which should be assumed by the Department of National Defence. I suggest to the committee that there certainly should be a provision written into the legislation that defence projects can be entered upon only with the concurrence of the Department of National Defence.

Mr. Macdonnell (Greenwood): I should like to add a word on this point. It seems to me that the minister is very ungenerous in not realizing that we are trying to help him to improve this bad measure.

Mr. Howe: Amateur help.

Mr. Macdonnell (Greenwood): I wonder if the minister does not agree that it would be sensible to have something in the act to indicate that these projects come from the Department of National Defence. From the point of view of anyone reading the measure and not having the benefit of all this conversation and discussion, there is certainly no limitation on the face of it. I would have thought it would be desirable in the definition

clause, section 2(d), to have something to indicate that these projects, which he distinguishes from stockpiling, would come from the Department of National Defence. I would have thought it very sensible to have that written into the act.

Mr. Green: In effect the Minister of Trade and Commerce decides what is a defence project, and I submit that is none of his business.

Mr. Howe: To tell the truth, I do not think it is any of your business either.

Mr. Fulton: I should like to raise a point having to do with the power to requisition and compel delivery within a time and at a price that the minister specifies. You will notice that subparagraph (ii) of paragraph (f) of subsection 1 of section 3 provides that there may be a reference to the exchequer court with respect only to the matter of price, and that the court shall not have power to extend the period of time for delivery. That seems to me to be a very harsh provision. I can appreciate the feeling which probably lay behind the making of that provision; if power were given to appeal to the exchequer court as to the time within which deliveries must be made, then the delivery of some essential and vital material might be delayed pending the outcome of an appeal. Let us remember, however, that section 8 provides:

> Every person who contravenes or fails to observe any provision of this act or of any regulation or order is guilty of an offence and is liable upon summary conviction or conviction upon indictment to a fine not exceeding $5,000.

It may be that the requirement made by the minister as to the time within which delivery must be made is unreasonable. Nevertheless in his view it is essential to secure the material. He issues an order for delivery within ten days, and it is next to a physical impossibility for the order to be complied with. Every effort may be made to comply with it, but it may be that the material is delivered not in ten days but in two weeks. That man has committed a contravention of an order made under this act and is liable to a fine of $5,000, but there can be no appeal to the exchequer court on the question of time. The only appeal is on the question of price.

It seems to me to be a most unwarranted provision to put in the act. The minister is taking sweeping powers. I do not propose to prolong the debate on that point, because we had it on second reading and the house decided yesterday by its vote that he should have these powers. The bill gives him sweeping powers, and it may be that they will be exercised arbitrarily in what the minister conceives to be the interest of the country and in the interest of procuring the supplies quickly. I can quite see that that may happen. This man against whom an order for delivery within a time limit has been made finds that it is a physical impossibility for him to comply with the order, and he is guilty of a technical breach thereof and liable to a fine of $5,000. He cannot go to court and say that it was impossible for him to comply, because the exchequer court has no right to make any order or finding with respect to the time of delivery. I ask the minister if it would not be possible, without seriously interfering with his right to compel delivery within such time as he specifies, nevertheless to permit an appeal to the exchequer court to embrace the question of time, so that, delivery having been made, at least a man could defend his liability to a penalty by establishing in the exchequer court that the time specified by the minister was not reasonable under the circumstances.

Mr. Howe: Well, Mr. Chairman, it is unfortunate, but the defence of a nation sometimes requires a government to be harsh. In England it is harsh to the extent of taking young men out of the normal walks of life and putting them in the army for a period of time. That has not been thought necessary in this country, for which I am very glad; but if the government had to be harsh and take material away from a man a little sooner than he would like to deliver it, that is just too bad, but it does not disturb me in the least. I have been administering this act for the last ten years, and I have not been harsh to an extent that has caused any great repercussions in the country. But we have been firm; if we needed something for defence we got it, and we got it when we needed it. That will continue to be the policy of the government, in spite of my hon. friend.

Mr. Fulton: Let me make it quite clear, Mr. Chairman. I said I accepted the fact that the minister held the view that he must have power to compel delivery. In spite of the insinuation the minister has attempted to convey, however, I am not objecting to the fact that it is necessary to insist upon deliveries. As the minister says, sometimes it is necessary to be harsh when the defence of the country is at stake. All right; he has taken power to compel delivery, but I say he should not go further and take away from the man against whom the order is made any right of recourse to the court in connection with the penalty he may incur because he has been physically unable to comply with the order. The order has been complied with as soon as possible, but not within the time limit laid down. The

difference may be only a few days, in spite of the best efforts of the man to make delivery on time. Nevertheless that will involve him in liability to a penalty of up to $5,000, and he has no right to appeal to the court on the question of time. I distinctly asked the minister if he did not think that, without cutting down his power to compel delivery, he could grant the subject the right to appeal to the exchequer court after delivery had been made, on this question of penalty, and that was all I said. I do not think it is necessary for the minister to insinuate that we are trying to make it impossible for him to obtain materials vitally needed for national defence.

Mr. Howe: Well, Mr. Chairman, I am a layman, and my hon. friend is a lawyer, so I will ask him this. Does he know any way of collecting a penalty or a fine except through the courts?

Mr. Fulton: No, I do not know of any way to collect a fine except through the courts, but the exchequer court is precluded from making any finding with respect to the time of delivery, whether or not the time fixed by the minister was reasonable. A man may exceed that time limit by one day; if he does, he is liable to a penalty of up to $5,000, and the exchequer court is specifically excluded by subparagraph (ii) of paragraph (f) from making any finding with respect to time.

Mr. Howe: Then may I ask my hon. friend, as a lawyer, another question? How much of a fine does he think a court would assess against a man for being one day late in making delivery?

Mr. Fulton: I do not care if it assesses a fine of only $1; the principle is there. The man may be two weeks late, but the court cannot go into the reasonableness or otherwise of the time limit; it is precluded from doing so.

Mr. Howe: I can assure my hon. friend that it is their custom to do so.

Mr. Fulton: Not when the statute specifically says the court may not make any finding with respect to time. I am quite sure the minister does not intend to suggest that the court would deliberately ignore the terms of the statute. However, I have made the point and raised the question, and apparently the minister thinks there is nothing to it. I have asked whether he did not think, without limiting his power to obtain delivery, he could nevertheless permit the subject to appeal to the court on the question of time with respect to the penalty he might otherwise incur.

[Mr. Fulton.]

Mr. Howe: I submit that in order to have a fine imposed a man must be brought into one of the courts of the land. The department makes out its case against him, and he presents his defence. I have never known a Canadian court to impose a fine when the person before the court had a reasonable defence, and I do not think my hon. friend has known of that either.

Mr. Fulton: But there is no defence under the terms of this statute. His defence is taken away from him.

Mr. Green: This is the key section of the act, and it might make for more progress if we took it up clause by clause. I want to ask a question about section 3(1)(d), which reads:

. . . arrange for the performance of commercial and professional services.

That would seem to be a power which can be exercised in the normal course of business. Can the minister give us examples to indicate the necessity of having that provision written into the act?

Mr. Howe: Well, Mr. Chairman, I am not suggesting that the machinery would not function without that section, but the desire is to make perfectly plain what are the powers of the minister in connection with procurement for the armed services. We wish to make it clear that it is within the power of the minister to obtain commercial or professional services if they should be required. Commercial services might be the storage of material. Professional services might be an independent opinion on a design problem, or various other services.

Mr. Green: That means power to go out and hire somebody to do a special job; is that it?

Mr. Howe: That is it. The transportation of personnel would be a case in point.

Mr. Green: Then in connection with paragraph (f) there is this provision:

. . . require any person who produces, deals in or has in his possession or control any materials or articles needed for the completion of a contract with respect to which a requirement under the authority of paragraph (e) has been issued, or needed for completion of defence supplies or a project being constructed or carried out by a government department, the Canadian Commercial Corporation or any company to which the Government Companies Operation Act applies . . .

That would appear to be a good deal wider than simply giving the Minister of Trade and Commerce power to carry out a defence project. Why is the provision worded in such a broad way? It says, "project being constructed or carried out by a government department," which might mean any one of the various government departments. Why is the terminology so broad?

Mr. Howe: Other agencies take part in procurement. For example, Canadian Arsenals are a very important factor in procurement. Today Canadian Arsenals are making all the guns used by the army, and various other munitions; and the act should properly apply to them. If they find it impossible to carry on their work through lack of supplies, they should be able to requisition supplies through the minister. It applies to various crown companies accustomed to take part in the procurement of defence supplies. The Department of Mines and Technical Surveys has a part in it as well. It usually procures the minerals. In the last war they made certain optical instruments in a factory that was operated by that department. This clause is built to fit the machinery that was found to be necessary to carry out the defence procurement duties in the last war.

Mr. Green: In clause (e) there is a provision that if the supplier of the goods does not agree to the price set by the minister, the dispute can be referred to the exchequer court. Under the Department of Munitions and Supply Act, as originally passed in 1939, disputes were settled by arbitration, which is the normal peacetime way of settling disputes of this kind. I suggest we should now go back to the arbitration method of settling the price, rather than put the person who has been compelled to supply these goods to the expense of fighting the case in the exchequer court. I believe this exchequer court provision was put into the Department of Munitions and Supply Act in 1940 or 1943, and I am confident that the result of that change was that very few, if any, people would go to the expense and trouble of going to the exchequer court. It seems unfair to put that burden on them. Why would it not be better to use the ordinary arbitration machinery?

Mr. Howe: It is not usual in government contracts of any kind to use arbitration machinery. The public works contracts do not provide for arbitration. The usual method of collecting a claim against the government is to refer it to the exchequer court. I can say to my hon. friend that, so far as requisitioning is concerned, if any contractor has a case that will stand up in exchequer court, it is unlikely that he will find it necessary to go to the court to get proper compensation.

Mr. Green: I do not think it is fair that in peacetime people should be put to that expense. Why not use the simple system of arbitration? The government is not going to be hurt very much by arbitration. It is certainly much more desirable from the point of view of a person who has been forced to turn over those supplies. It is not a case of ordinary purchases, and there is no difficulty about such transactions. This section applies to a case where the minister has forced the person to supply the goods. It does seem that where drastic power of that sort has been exercised, the person against whom it has been used should be given every reasonable opportunity to have a fair price set by the simplest method. Going to the exchequer court is a complicated business, for example, for any firm in British Columbia. It may not be so difficult for a firm in Montreal, but for firms in the distant parts of the country an exchequer court action is an expensive procedure. I do suggest that the minister should give some consideration to substituting the arbitration procedure.

Mr. Howe: Mr. Chairman, if that were done it would mean instituting a new practice.

Mr. Green: That power was given in the original Department of Munitions and Supply Act.

Mr. Howe: Yes, but we changed the act as soon as we realized how we were differing from ordinary government practice. It was changed in the first revision of the act. It would have established a new procedure for the administering of government contracts.

Mr. Macdonnell (Greenwood): One of the things for which we gave the minister credit was that he adopted a lot of new procedures. Speaking seriously for a moment, I think there is great force in what the member for Vancouver-Quadra has said. I put it to the minister that when he was in business the last thing he wanted to do was go before the exchequer court. That court is familiar with tax matters and things of that sort, but not with this subject. The sensible course would be that advocated by the member for Vancouver-Quadra. I see no reason why we have to follow slavishly the established practice and the minister has not done that; he has been a pioneer. I hope the minister will consider the suggestion, because I do know the same view is held by businessmen.

The minister made an answer, which he felt was a fair answer, to the member for Kamloops, about the conviction. The member asked whether anyone charged with dealing in goods would get a fair hearing in court. The basis upon which the member for Kamloops and I make that suggestion is the understanding that under the wording of section 3 (f) all the court will have to be told is that the minister said this was fair and reasonable, and the man did not carry

it out. Would it not be fair to let this section stand and ascertain from the Department of Justice whether or not that is their interpretation of it? If they take the minister's view, then this section will not be as bad as we thought; but if they do not take his view, then the ground is cut from under what the minister said. After a man got into court, the minister seemed to feel he should have a fair run for his money. We believe that is not the meaning of this paragraph (f).

Mr. Howe: The Minister of Justice has already passed on this act, just as he passes on every act that comes before the House of Commons. What does my hon. friend think is the meaning of the act? The crown carries no more weight before a court than the other party to the dispute. The court is there to see that there is equity as between the crown and the subject.

Mr. Macdonnell (Greenwood): But that is cut down under the statute.

Mr. Fulton: The court cannot do that when the statute itself says by implication that that defence is not open to the subject. Then the ordinary equitable jurisdiction, if you like, of the court is removed because it is bound by the terms of the statute.

Mr. Howe: Yes, but what is it bound to do? It is bound to impose a fine not exceeding $5,000. It can impose a fine of one cent technically, if the court thinks conditions warrant it. I may say that from the experience we have had in trying to enforce penalties under orders of this kind, that is about what the court usually does.

Mr. Harkness: Paragraph (g) of this section states:

> (g) require any person to furnish such information respecting defence supplies dealt in by him or projects of a type executed by him or respecting his production and other facilities relating thereto in such time and manner as the minister may specify.

It seems to me that this paragraph gives the minister power to require from any dealer in goods any information of any kind. Last week the Minister of National Defence told us that the army alone holds something like 170 million or 180 million pieces of equipment of one sort or another. The equipment required by the defence department covers practically every business which one can imagine existing in the country. It would seem to me that under those circumstances any business in the country could be required by the minister to furnish any information he wants to secure. Perhaps that is the intention of this section; I do not know. Will the minister tell us whether that is the intention of the section, and if not, what the intention is?

[Mr. Macdonnell (Greenwood).]

Mr. Howe: The intention is that all information that is needed in connection with defence preparations shall be obtainable. In other words, if the government wishes to make an inventory of any material to determine how much is held in the trade, it is their privilege to do so. If the government wishes to make an inventory of manufacturing capacity, as they did prior to the last war, it is the privilege of the government to require that information to be furnished by any firm. It is a reasonable provision, and a provision that is included in any defence act I have ever seen.

Mr. Harkness: I take it the effect of that answer is that the section is designed to give the minister the power to secure any information he wants from any business in Canada.

Mr. Howe: That is right.

Mr. Harkness: It seems to me that that is unnecessarily wide power to be given, particularly in view of the fact that when we come to subsection 2 we have there provision that this information can be given out and used under certain circumstances, and so forth; I shall have something to say about that later. But it does not appear to me that the thing should be as wide as it is. Paragraph (g) says "respecting defence supplies"; but when we come to the wording of it in connection with projects and other facilities that the people have, nothing is mentioned in connection with defence at all. It might be anything.

Mr. Green: Does the section mean that the minister could send his representative into any business in Canada and get whatever information the minister wanted? As I read the section, it goes that far, regardless of whether that firm has anything whatever to do with the government of Canada. It may have no business dealings with them whatever, yet the minister can send a man in and demand any information that the minister sees fit to demand; in effect, that means any information that the officials of the Canadian Commercial Corporation see fit to demand.

Mr. Macdonnell (Greenwood): That is exactly it.

Mr. Green: Furthermore, the section is wider than that because it applies to a project, and "project" is defined as covering a building, aerodrome, airport, dockyard, fortification, road or other work required for the purposes of defence. That means that the minister can send a man into any roadbuilding firm, any shipbuilding firm or any one of the construction firms; he can get particulars of the internal workings of any firm

which deals normally with projects of that kind, again regardless of whether or not that particular firm has had anything to do with any government.

The minister says that every country has provisions such as this. Yet Canada never had a provision of that kind until the war. There was never a provision of that kind in the Canadian law until 1939; and it was written into the Canadian law then because of the war and, as we thought, for war purposes. I think this clause is the most objectionable one in the whole bill. It is purely dictatorial, with no limitation on it whatever. I do not see how the minister can justify asking for such powers.

The Deputy Chairman: Hon. members generally have been discussing each paragraph individually. Perhaps we would make better progress if we considered the paragraphs separately. We are now at paragraph (g).

Mr. Green: It was paragraph (g) that I was speaking to.

The Deputy Chairman: Yes. Can we therefore proceed in this way: can we carry paragraphs (a) to (g) of subsection 1 of section 3? Is that agreed?

Some hon. Members: Carried.

Mr. Harkness: On paragraph (g)—

The Deputy Chairman: Order. Before we do that, let us start over again and see where we stand.

Section 3, subsection 1, paragraphs (a) to (e) inclusive agreed to.

On section 3, subsection 1, paragraph (f).

Mr. Macdonnell (Greenwood): I am sure the minister would co-operate with me in anything that would prevent me from saying anything more on this paragraph. But the minister has not answered the question I asked, except to say that the Department of Justice in a general way is familiar with this bill. But being familiar with the bill does not necessarily mean that you have considered every question that arises. It is now twelve minutes to one o'clock. I suggest to the minister that he could at any rate satisfy me with regard to part of my question if he would put it up to the Department of Justice and let us know the result at three o'clock. I think that is a reasonable request, and I am sure the minister thinks so too.

Mr. Howe: With so many lawyers in the committee, I should think that the Department of Justice would be entirely superfluous. Will any hon. member in the house give us his opinion? I think my hon. friend is a lawyer.

Mr. Macdonnell (Greenwood): I refrained from giving a legal opinion, but I was interested in the minister's legal opinion, although I am not entirely satisfied with it. I am asking him quite seriously if there is anything unreasonable in asking the Department of Justice for an opinion on the matter.

Mr. Howe: I think that those who require the opinion should ask for it themselves.

Some hon. Members: Carried.

Mr. Macdonnell (Greenwood): Stand. The minister has only smiled at me. He has not given me an answer to that question.

Mr. Knowles: He told you that the Department of Justice was superfluous.

Mr. Macdonnell (Greenwood): Will the minister allow paragraph (f) to stand until this afternoon, at any rate, and consider that suggestion? Perhaps he will feel better after lunch.

Mr. Howe: I feel fine now. Let it stand, if you like.

Paragraph (f) stands.

On section 3, subsection 1, paragraph (g).

Mr. Harkness: In view of what the minister has said, and as I read this paragraph, it seems to me that it gives him power, for example, to send a man down to my farm to ask me how many pigs I am raising, how many I am figuring on raising in the next six months, how many cattle I have, how much grain I have, and so forth. He can ask me about any of those things. They are all necessary for defence. The defence forces eat a great deal of pork, beef, and so forth. It does not seem to me to be reasonable that the minister should have the power to send people into any business whatever in this country, and require the man running that business to answer any questions that may be put to him. It particularly does not sound reasonable to send these people out amongst the farmers. I do not suppose they would ever do that; nevertheless the power is there to do it, as I read the subsection. It seems to me that this provision should be amended to limit the powers to projects, let us say, which are specifically and necessarily used in defence preparations.

Mr. Howe: Will my hon. friend please tell me what clause in this bill allows the minister to count the pigs on his farm? Paragraph (g) reads:

require any person to furnish such information respecting defence supplies dealt in by him—

Mr. Green: That includes pigs.

Mr. Howe: That is a defence supply?

Mr. Macdonnell (Greenwood): You mention animals in one section.

Mr. Green: Animals are considered now as defence supplies.

Mr. Ross (Souris): Ask the troops for their opinion.

Mr. Howe: If we need to know it, why should we not obtain the information?

The Deputy Chairman: Shall the paragraph carry?

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Fulton: On division.

Mr. Howe: All right; on division.

The Deputy Chairman: Is the committee ready to carry the clause?

Mr. Macdonnell (Greenwood): No. I think the minister is all wrong about this, in spite of his legal opinions. Surely this would go quite far enough, especially when you read the extraordinary wording of paragraph (a) of clause 2 which says:

> (a) "defence supplies" means arms, ammunition, implements of war, vehicles, mechanical and other equipment, watercraft, amphibious craft, aircraft, animals, goods, wares, merchandise, articles and materials of all kinds required for any project or otherwise for the purposes of defence.

I come back to this point under paragraph (g).

Mr. Howe: If my hon. friend will agree that we would not look into pigs until we call up pigs for defence, I think that we might agree. I think it means horses.

Mr. Macdonnell (Greenwood): I am not going to pursue the question of pigs. I really am more interested in something else. Under this provision it seems to me that the minister, and, as the hon. member for Vancouver-Quadra said, a whole lot of other people who are acting for the minister, are entitled to go in and ask for information. Let us be realistic about this. Quite true, it is the minister's authority that is behind it; but actually there are a number of officials who are entitled to go in, I take it, to get all the information about patents and processes of any kind, things which may be very injurious. Again let me say that if this is all going to be done by the minister personally it might be—

Mr. Green: Bad enough.

Mr. Macdonnell (Greenwood): Well, bad enough, or good enough, but at any rate this is a very different thing. I think we have to be realistic about this. Surely (g) does do exactly what the hon. member for Calgary East said. It opens the door wide, and it lets you get any information, secret or otherwise, confidential or otherwise.

Mr. Howe: My hon. friend would divide industry into two parts for defence purposes: those who are willing to co-operate with the government in giving information that the government requires to make a survey, and those who are not willing. As to those who are not willing he would say: We will not question those; they need have no part in defence; we cannot bother them; we will just deal with the willing ones, and the survey will represent what the willing people will say they can do in defence; with regard to the unwilling people, we will just count them out; they will not be a factor when there is a war. Well, when there was a war I do not recall that we made much distinction between willing people and unwilling people.

Mr. Macdonnell (Greenwood): The minister says that when there was a war we made no distinction. We have said again and again, until I am sure the minister is tired of it and we are tired of saying it, but apparently it is necessary to keep on saying it, that the whole basis of our objection is that this is peacetime. What we are worried about is that these powers, these extraordinary powers are now apparently a commonplace in peacetime.

Mr. Howe: Unfortunately even in peace, for the defence of the country, some people think it is necessary to take harsh means. Now, if this represents harsh means, this country believes it is necessary to take this step.

Mr. Ross (Souris): I want to support what the hon. member for Calgary East has said. I take great exception to the last remarks of the minister, that we are dividing this country up into those who are willing to support the defence—

Mr. Howe: No, I did not say that; I said those willing to give information, and those unwilling to give it.

Mr. Ross (Souris): Those willing to give information and those unwilling. I can take the minister to many people who in the last war ruined their health in the performance of services for the country. Many of these people object today to this type of legislation being introduced by a government in peacetime. I tell the committee that they are very patriotic people. If there were another war, or if this country needed defence measures, these very same people who did so much that they ruined their health in producing food and so on, for the armed

services, would be willing to do it again. They do not think that we should have this type of legislation in peacetime.

I lost an opportunity to speak yesterday because I was called out of the house on something else. I cannot refer to that now, but I did vote against the bill. I would have liked to have an opportunity to speak on the bill, and speak on behalf of many people whose views I represent on this type of legislation in peacetime. It does not fit in at all with the day after day criticisms that we have made in trying to get information out of the Department of National Defence. It is in absolute opposition to anything that we have got from the Minister of National Defence. I want to say that that clause is something foreign to democracy as we have it in Canada.

Again to go back to many of our producers who are just as patriotic in the defence of this country as the minister or anybody else, they disapprove of this type of legislation. I cannot be too emphatic about that. I present the words "dividing up this country" which the minister put on the record a few moments ago.

Mr. Pearkes: I have said very little on this bill, but I believe that there is a fundamental change in the necessity of preparedness in peacetime from the conditions that existed many years ago. Years ago, as I have pointed out many times in the house, Canada had ample time after the outbreak of war to build up her material and equip and supply her troops. I have said time and time again that I believe those days have passed. It is necessary for us to take measures in order to prepare our forces for the defence of this country such as we have never had to take before.

Mr. Sinclair: Bring on the colonels.

Mr. Macdonnell (Greenwood): We are very proud to have someone in our party who is independent and who does not always follow the party line. It does not worry us at all. I wish you had a few in your party.

To go back to (g); the minister has been kind enough to say he will have a look at (f). I want him to have a look at (g). I want to remind him of what he said a few moments ago, namely, that perhaps we do not need this legislation yet. I hope the people of Canada will come to know this. We talk about being harsh. What does harshness mean? It means, as the hon. member for Souris said, he assumes that there is a division, as he indicated a few minutes ago, between the willing and the unwilling. I think that is an insult to the people who are considered unwilling. I say again that he has not been able to give us a single instance to show that this power is needed, to show that there is anyone unwilling. I told him yesterday—and he ought to take this as a compliment—that he had very great prestige in the manufacturing community and that I believed he could do this without all these extraordinary powers. At any rate we now come to (g), and you have this inquisitorial power which, it seems to me, is foreign to everything. I wonder if all the men who voted for this so blithely yesterday read these things through, and whether they consider it is good. Are they prepared to have this inquisitorial power almost without limit?

Mr. Jeffery: I have not heard any suggestion from any member of the opposition of any practical amendment that could be made to this section. I have heard the appeal of a lawyer on a previous subsection. I have heard the opinion of a lawyer in the house, and I do not think there is any lawyer in this house or in Canada who could make an amendment to this paragraph which would be practicable in the working of the act.

The officials cannot walk in and make these inquisitions unless it has been directed by the minister that they make them. The minister himself is responsible to the public if he makes inquisitions. If they are unreasonable he will not be a minister very long. Therefore I say there is nothing we can do about this paragraph.

Mr. Ross (Souris): You have not been here very long; you do not know.

Mr. Harkness: This paragraph makes possible the setting up of what might be called an industrial gestapo. It does not seem to me that it is necessary for the working of this act to have powers of that kind, power on the part of the minister to require all this information from any individual who is engaged in industry. It is completely against the liberties of the individual which we have always looked up to and protected in this country and which I think everyone in this country wants to have continued. This paragraph should be deleted or amended in such a way that the wide powers will not be there.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Ross (Souris): At one o'clock we were discussing paragraph (g) of section 3. First of all I want to say that there is absolutely no difference between the hon. member for Nanaimo and myself in our desire—

Mr. Fournier (Maisonneuve-Rosemont): He will vote for it.

Mr. Ross (Souris): That is rather meaningless. There is no difference right now between us in our desire to see all the branches of our defence forces properly equipped and cared for. But this is peacetime. There is undoubtedly a right and a wrong way of doing this thing. We differ only as to the procedure. Why one minister should have all these dictatorial powers in peacetime I fail to understand. I am just as eager to see proper methods of defence in this country as anyone else. The present minister, who is now asking for these dictatorial powers, during the calendar year of 1949 insisted that the government should disregard and ignore the law of this land. At that time the Minister of Justice, who was sworn to observe and respect the law of the land, apparently lacked the courage to insist upon carrying out the law of the land or in turn to offer his resignation as any of his predecessors in that high office I think would have done.

Mr. Dechene: Who wrote that one?

Mr. Ross (Souris): I wrote these notes myself. If you know my writing you can check it and find out.

Mr. Dechene: Read it if you like.

Mr. Ross (Souris): I am not reading it.

Mr. Dechene: The hon. gentleman is reading every word.

Mr. Ross (Souris): I will move down to the next seat and leave my notes for you. I have been here twelve sessions, and I have never read any speech in the house other than one prepared from notes of my own. I feel keenly about this matter. I was referring to the Combines Investigation Act and the flour milling report. I know something about conditions in this country. Surely the Minister of National Defence should have some responsibility in the matters covered by this present measure. He and other cabinet ministers are dodging their responsibilities.

The Deputy Chairman: I must remind the hon. gentleman that we are dealing with paragraph (g)—

Mr. Ross (Souris): Under which great and wide powers are given to the minister.

The Deputy Chairman: —which deals with information which the minister can ask to be furnished.

Mr. Ross (Souris): I was referring to what the same minister has done in the past calendar year, and now we are being asked to give the same minister much wider powers. As I pointed out before one o'clock, some people with whom I am personally acquainted are just as patriotic as any others and care just as much about the defence of this country. They disapprove of this legislation. I think there is a greater feeling about national defence in this country at this time than there was at any time in previous history. During the last great war there were differences of opinion in this country; there were those who believed, with the best of intentions, that no troops should leave our shores. They felt that our energies should be confined to production. I am not criticizing their view, but there was that division. Today it is realized that if there is another war this country may be the Belgium of that war. The result is that there is a much more united feeling about matters of national defence. Irrespective of what we think about its being a privilege to serve in the armed forces, there is no lack of concern in any corner of this house about national defence or a desire to see that all members of our armed services are properly equipped and cared for in every respect.

It is an entirely different thing to give one minister all these powers, especially those provided for in this paragraph (g). I know it has been said that this is being made a personal matter, but I contend that no minister should be given that power. It should be a matter for the cabinet to decide and surely the Minister of National Defence should have responsibility in these particular matters.

As I have pointed out before, we have spent days discussing the estimates of the Minister of National Defence, and so far we have not succeeded in getting anything that would lead us to believe that there is a need for legislation such as this in peacetime. There certainly is no argument about the desire of any of my colleagues to grant authority in the proper way. I have pointed out that there is a united feeling about national defence in this country, but there are many people who are just as patriotic as anyone in this house who disapprove of this legislation being passed in peacetime.

Mr. Sinclair: What about the hon. member for Nanaimo?

Mr. Ross (Souris): The hon. member for Coast-Capilano asks, "What about the hon. member for Nanaimo?" I made it very clear at the start that there is no member in this House of Commons for whom I have more respect than that hon. member. I pointed out that there was no difference between us about national defence and the providing of proper equipment and care for our troops. It was probably only a matter of the detailed methods about which there might be some difference. I respect the hon. member because he has had much more experience than I have had.

I will go further. I have been pointing out that the Minister of National Defence should have some concern about this. The other day the hon. member for Mackenzie made some remark about colonels and so on and said that he and the Minister of National Defence had served as buck privates. I would remind him that some of those colonels were originally buck privates. I do not think it can be said to be against them that they became colonels after serving as buck privates. I know that some of those colonels refused promotion for some time, men who have debated this matter in this house.

Mr. Fournier (Maisonneuve-Rosemont): What are you discussing?

Mr. Ross (Souris): I am discussing national defence. Has my hon. friend any objection? It may even be that some of the brass hats would rather have a buck private as Minister of National Defence than a certain major general to whom reference has just been made. We have freedom of thought.

I repeat that we have objection to any one man being given the powers granted by this bill.

Section 3, subsection 1, paragraph (g) agreed to.

On section 3, subsection 1, paragraph (h).

Mr. Green: Paragraph (h) deals with the construction and repair of ships. It gives the minister power to specify, subject to the approval of the governor in council, to what shipyard this business will be sent. As I read the paragraph it covers more than ships for the Department of National Defence; it would include shipbuilding for any department of the government. That would seem to be an unnecessary addition to the Defence Supplies Act. I ask the minister whether it would not be ample for the purposes of the act to have the power limited to ships to be constructed or repaired for the Department of National Defence.

Mr. Howe: The purpose of the paragraph is to divide government ship contracts of all kinds among shipyards in an equitable manner so that we may be able to keep in operation the shipyards that we believe we would require in war. During the last war our shipyards were expanded tremendously. If contracts for ships were let on the basis of tender, as required under the Public Works Act, you would have a situation where dog eats dog, and in my humble opinion you would only have three shipyards left in operation. You would have one on the west coast, one on the St. Lawrence and one on the east coast, and the others would be bankrupt. I think that is inevitable because the yard that is best able to get the initial business and keep its overhead low is bound to get any following business. In the interests of national defence I think it is not desirable to see our major operating shipyards reduced in number from eleven to three. For that reason, on the advice of the Canadian maritime commission—and I must say anything the department does in connection with the allocation of shipyard work is done on the advice of the maritime commission—we are taking the power in the act to allocate not only work required by the naval services of national defence but also any departmental work that a department may wish to have allocated. I remind hon. members that we allocate nothing unless we are asked to do so by the department directly involved. We can allocate on requisition from a department of government. Some departments will probably prefer to call for tenders as they must do under the Public Works Act. If other departments can be persuaded by the Canadian maritime commission that it is desirable to allocate their work, and they wish to make a requisition on the Department of Trade and Commerce to undertake the allocation, then this paragraph in the bill gives the department the power to do just that.

Mr. Green: Has the minister any power to allocate the construction of new shipping without approval of the governor in council?

Mr. Howe: No.

Mr. Green: The section is not quite clear whether the power to act without the approval of the cabinet is limited to the repair of ships as distinct from the construction of new ships.

Mr. Howe: It is limited to urgent repairs the estimated cost of which is not more than $50,000. The only emergency power the minister has concerns an urgent repair, or in any event a repair not costing more than $50,000. Otherwise allocation can only be made by the governor in council.

Mr. Green: What is the objection to keeping the figure at $5,000 as set out in the Public Works Act?

Mr. Howe: The objection is that a boat may run aground, and commitments may have to be made exceeding $5,000 before it can be hauled off the reef. It is thought that $50,000 will likely cover emergent salvage operations, and therefore the figure is placed at that amount.

Mr. Green: As I read the section, the ceiling of $50,000 also applies where the repair is not of an emergent nature; to ordinary repairs as to which time is not of such

importance. Is it the intention that all ship repair contracts under $50,000 should be allotted by the minister without the approval of cabinet, or is that power supposed to be restricted to emergency repairs?

Mr. Howe: What does the bill say? It says, is urgently required.

Mr. Green: It says, "is urgently needed or does not involve an estimated expenditure", and so on. It may be that the word "or" should be "and". It makes a great difference in the coverage. What was the original intention?

Mr. Howe: I imagine that the people who drafted the bill intended it to be as it is, "or".

Mr. Green: Then the way the bill reads it covers both cases. Any work up to $50,000, even though it is not of an urgent nature, can be allocated by the minister without the approval of the cabinet.

Mr. Howe: Yes.

Mr. Pouliot: Mr. Chairman, I agree that the questions put by the hon. member for Vancouver-Quadra at the present time are perfectly in order, but I want to make a necessary distinction about secrets. There will be secrets about matters concerning strategy and no secrets concerning expenditures. When we heard the leader of the opposition speaking so much about strategy I presume he was voicing the views of the Tories of the general staff of the Department of National Defence, and to that I am opposed. There shall be no discussion of strategy in the House of Commons, but a full discussion of expenditure. I hope the hon. member for Vancouver-Quadra will tell that to his leader when he returns to the house from attending the meeting of the standing committee on public accounts.

Section 3, subsection 1, paragraph (h) agreed to.

On section 3, subsection 1, paragraph (i).

Mr. Green: This paragraph gives the minister power to employ the Canadian Commercial Corporation, or any company to which the Government Companies Operation Act applies, to exercise under his direction such of his powers under this act, other than those under paragraphs (e), (f) and (g), as he may specify. What other corporations has the minister in mind as likely to be used for the purposes of this act? Why does he not include in the powers which cannot be assumed by the corporation the power as to shipping? It seems to me that paragraph (h) should be added to paragraphs (e), (f) and (g) as one where the minister himself should be responsible.

[Mr. Green.]

Mr. Howe: The minister is responsible for the operation of every clause in the act. He has the power to delegate except for the three clauses mentioned. In other words, if it is a case of demanding priority the minister authorizes that personally. No other signature is good. If it is a case of requisitioning it must be the minister's signature. If it is a case of applying for information it must be the minister's signature. As to the allocation of ships upon the advice of the Canadian maritime commission, there is no reason why that power should not be delegated. It is a routine power. The minister has the responsibility for it just as in the case of all other clauses, but it is a power that he can very well delegate.

Mr. Green: What about my first question concerning other government corporations?

Mr. Howe: As to other government corporations, Canadian Arsenals is the principal one. It is handling about $40 million worth of business today, which is delegated to it by the minister. The Polymer Corporation might very well be called upon to assist in stockpiling rubber. Any crown company that can do a job more efficiently than a government agency may be called on for that purpose.

Mr. Pouliot: The hon. member for Vancouver-Quadra has just referred to the Canadian Commercial Corporation and the maritime commission. I challenge him to denounce the Tories who are in those crown companies.

Mr. Green: The hon. member for Temiscouata is full of challenges today. I do not know whether he is looking for a fight or trying to be funny.

Mr. Pouliot: I am not trying to be funny; I am very serious.

Mr. Green: I did not know there were so many Tories in Canada as he has mentioned today. I am glad to learn that we have such extensive support, and I hope we can find more. I am trying to do business with the Minister of Trade and Commerce at the moment.

Section 3, subsection 1, paragraph (i) agreed to.

On section 3, subsection 1, paragraph (j).

Mr. Harkness: This paragraph provides that the minister may—

—do such further things as may be authorized by the governor in council in regard to the procurement and disposal of defence supplies and projects.

I would like a little information as to why the word "disposal" is in here. So far everything has been in connection with procuring supplies for defence purposes, but

apparently this paragraph gives the minister power, when authorized by the governor in council, to dispose of any supplies or projects. I thought the normal way that was done was through the War Assets Corporation, that these supplies were automatically turned over to them for disposal. Is it proposed to have some different procedure with respect to the disposal of surplus defence supplies and projects, or what is the reason for this provision?

Mr. Howe: Occasionally the department gets a requirement from another government for certain supplies. The need may be urgent, in which case, after it has been cleared by the Department of External Affairs, reference is made to the armed services to see whether they would prefer that we deliver existing stocks to the customer and replace those stores with new material. In some cases the answer has been in the affirmative. My hon. friend will appreciate that ammunition particularly is subject to deterioration and very often the army prefers to deliver ammunition from existing stocks and have it replaced in due course with fresh stock. In that case sales are made; the money is put in escrow and used to pay for the replacement of the store through Canadian Arsenals.

Mr. Harkness: From what the minister has said I take it that the word "disposal" is put in here so that this provision will be complementary to the paragraph in the National Defence Act which was passed last week and which provided that with the authorization of the governor in council, articles which were not surplus could be disposed of; and it was explained at that time that it was to permit them to be disposed of to foreign powers. I take it the only reason for including the word "disposal" in this paragraph is that materials may be turned over to other powers, and that the ordinary means of disposal will be followed otherwise.

Mr. Howe: That is a correct statement.

Section 3, subsection 1, paragraph (j) agreed to.

On section 3, subsection 1, paragraph (f).

The Deputy Chairman: This paragraph was allowed to stand, and perhaps it can be disposed of now.

Mr. Macdonnell (Greenwood): The minister allowed this paragraph to stand, though I do not know whether he did so in order to follow my suggestion and supplement his own legal knowledge.

Mr. Howe: Being a layman, and not being very clear as to just what was my hon. friend's point, I asked the Minister of Justice to attend. If my hon. friend will state his point now I have no doubt the Minister of Justice will be glad to deal with it.

Mr. Macdonnell (Greenwood): I appreciate that. If the Minister of Justice will have regard to the terms of section 8 as to the imposition of a fine; then if he will have regard to the terms of section 3 (1) (f), he will see these words:

—who having received an offer that, in the opinion of the minister, is fair and reasonable, has refused delivery of such needed materials or articles, to deliver them—

In the first place, when queried as to section 8, the minister said under that section a man would get just as fair a trial as he would get in any other legal proceeding, but the view was put forward that actually the court would be restricted by the terms of section 3(1)(f) because the determination there was the opinion of the minister, and anyone indicted under section 8 would come before the court having refused to do what the minister said and would be faced with paragraph (f), which, as I see it, makes the opinion of the minister conclusive on the court.

Mr. Garson: Conclusive as to what; as to the time for delivery?

Mr. Fulton: As to the reasonableness of the time.

Mr. Garson: Subparagraph (ii) contains these words:

—such reference—

That is, to the exchequer court as to price.

—shall not extend the period of time for delivery specified by the minister under subparagraph (i).

Is that your point? From a cursory reading of this section I would say that what it had in mind was that the minister would specify the time and price. If the price were unacceptable it would be settled under paragraph (f)(ii) by the Exchequer Court of Canada, which would determine the current market price. Then if there were an alleged breach of this section which was required to be prosecuted under section 8 I should think the court—which incidentally would be an altogether different court than the Exchequer Court of Canada, since such a prosecution would be carried on in the ordinary criminal courts—upon considering the charge that the accused to comply with the reguisition which would be able to consider whether there was a reasonable opportunity on the part of the accused to comply with the requisition which the minister had made. Take an extreme case, in which the time specified by the minister was perfectly satisfactory and reasonable, and still was not complied with. If

the accused could come along and show that he had been hit by a car at the time he was preparing to comply with this request, and so had a good and reasonable excuse for not having done so; it seems to me that that would constitute a good defence. This is not like the adulteration acts, for example, where a man selling some kind of food product has no means of knowing whether or not it is adulterated because it is only handled by him in the ordinary commercial way. Yet it is necessary to impose upon him an absolute, outright obligation that the product be pure, and if it is not, he is guilty whether or not he has any guilty mind. From a casual reading of this statute now before us, I should think it would be necessary for the crown to prove *mens rea*. Then, if the crown were able to establish a prima facie case, the accused could come along and show that there was an absence of *mens rea* by proving the facts of his defence.

Mr. Macdonnell (Greenwood): I have no desire to prolong this discussion, but I want to make the point perfectly clear. I am going to read some particular lines to the minister and ask whether in his opinion it is open to the court to review the decision of the minister in this connection. If the Minister of Justice will look at lines 16, 17, and 18, he will see that they refer to a person having received an offer that is, in the opinion of the minister, fair and reasonable, and has refused delivery. My question is, will it be competent to the court to review the decision of the minister, and reach its own conclusion as to whether the order is fair and reasonable?

Mr. Fulton: May I just follow that up before the minister replies? Surely that is the main point, those words in lines 17 and 18 to which reference has been made by the member for Greenwood. They must be read in the light of the subsequent provision that the exchequer court is precluded from taking into consideration or making any finding with respect to the time at which delivery was to be made. The whole implication of this paragraph is that the minister has the absolute right to set the time, or first to make an offer which includes both the price and the time of delivery. If the person to whom the offer is made fails or refuses to deliver, then the minister has the right to make an order compelling him to deliver. Under the words of the section read as a whole there is, by necessary implication, an absolute right conferred upon the minister to make a decision as to time, and the words "fair and reasonable" are part of that right. Any requirement which he makes as to time, therefore, must be considered as being fair by the court when interpreting the statute by virtue of the provisions in the statute. I believe it is open to serious question whether the court can go behind the words of the statute and make its own inquiry, or indeed receive evidence on the question of whether the time limitation fixed was fair and reasonable.

It should be borne in mind at this point we are not asking that the exchequer court be allowed to prolong the time within which delivery may be made so as to defer delivery. That is the point the minister does not want to allow. We are referring to the proceedings in the ordinary court into which a man may be haled for the imposition of a penalty, in spite of having done his best and having failed to comply with the terms of the act.

Mr. Garson: Mr. Chairman, is not the point this, that offences generally, as I indicated a few moments ago, for the purpose of the present discussion are divided into two groups. There are those offences, and I think this covers the great majority, in which it is necessary to prove *mens rea* as an ingredient of the offence, or that the accused had, in relation to the alleged offence, a guilty mind, an intent to commit a breach of the law. Then there are offences, and I believe this constitutes the minority of offences, such as those relating to the adulteration of food. In the public interest it has been necessary to dispense with any proof of *mens rea* in such cases, for it is necessary that you find a man guilty who is selling an adulterated product, regardless of the fact he may have had no knowledge whatever that that product was adulterated.

I cannot find anything in the present statute, just in a casual perusal or upon hearing the point raised by my hon. friend the member for Greenwood, to indicate that the offence which is created here falls into the second category. If it does not fall into the second category, then it would be necessary for the crown to prove *mens rea*, that in relation to this matter the accused did have a guilty mind. Let us say that my colleague, in a manner which would certainly not be characteristic of him, made a demand which was absolutely unreasonable as regards time for delivery—that his demand could not possibly be complied with. I certainly cannot imagine any court, upon the accused being brought before it, under section 8, that would ever refuse to receive the evidence which the accused would adduce to show that this demand was unreasonable, and that the accused could not comply with it.

Mr. Macdonnell (Greenwood): Will the minister permit a question?

Mr. Garson: Yes.

Mr. Macdonnell (Greenwood): I repeat that I am not going to drag this out, but I wish the minister would read again the words of section 8, which is to the effect that every person who contravenes or fails to observe this act is guilty of an offence. Is the minister still prepared to say that this section only contemplates an offence where there is a guilty mind?

Mr. Garson: Yes, I think so, because if my hon. friend will look at almost every section in the Criminal Code, or the Official Secrets Act which we sought to amend today, he will see this phrase repeated time and time again: Every person who contravenes this section shall be guilty of an indictable offence, or an offence punishable upon summary conviction. The point I am making is that it is not spelled out in the section of the statute which creates this sort of offence that it imports the idea of *mens rea*. Yet the idea of *mens rea* is there, and if the accused can show, in relation to any statutory offence, which does not fall within the second category of offences, that in point of fact he did not have a guilty mind to commit a breach of the act, then that is a good defence.

Mr. Jeffery: I believe there is probably a weakness in this section which has not been noticed. Apparently the offence would be a refusal to deliver, and that would be a direct act. It does not say that if a man does not deliver he is guilty of an offence, it says if he refuses to deliver then he is guilty. I believe, so far as the minister is concerned, that he has a weakness in the act which he has not recognized. In other words there has to be a refusal to deliver, not a failure to deliver within a certain time, or he cannot be guilty of an offence.

Mr. Knowles: All this legal language seems to be adding to the confusion. As a layman may I set out the facts as I see them. In this particular instance I happen to be on the minister's side. Subparagraph (ii) of paragraph (e) gives the subject the right to go to the exchequer court if the subject is not satisfied with the price offered by the crown.

Mr. Howe: Correct.

Mr. Knowles: The member for Kamloops, who started all this, wanted the subject to have the right to go to the exchequer court if the subject was not satisfied with the time allowed by the minister's order?

Mr. Fulton: On a point of order, Mr. Chairman, the hon. member has misunderstood the point of my remarks which did not have reference to the right of appeal to the exchequer court for an extension of time, but merely the right to raise a defence in proceedings to enforce a penalty that the time given was not reasonable. My argument was that, by virtue of the expressed provision of the bill as it stands now precluding him from raising any argument with respect to the time, he would be precluded from raising that defence in any court in an action for the penalty.

Mr. Knowles: Whether the interpretation I placed upon the member's remarks in the first place or the interpretation he now places before us is correct, I submit that what I am going to say still applies. Still speaking as a layman, it seems to me that the only subject that comes before the exchequer court is the question of price. The other subject does not go there at all. The only way a man gets into court, because he did not obey the time element in the minister's order, is on the basis of the crown taking the subject to court, but not to the exchequer court at all. Am I not right?

Mr. Garson: That is right.

Mr. Knowles: It seems to me that is the basis of it. If a man does not comply with the order, and if it is only one day, the Minister of Trade and Commerce will certainly overlook it. Look what he did for the Minister of Justice with regard to the combines act last year; he gave him ten months. It is only in the case of an obstinate refusal to carry out a reasonable order that the crown takes the man into court under section 8. It seems to me that in that instance when the man got into a criminal court or a civil court—or wherever he would be taken—

Mr. Garson: He would start with the police court.

Mr. Knowles: All right. It seems to me that in that court it certainly would be a defence that the order of the minister was unreasonable and that the man had done his best to comply with it.

Some hon. Members: Carried.

Mr. Howe: I want to thank my hon. friend for that explanation. In the absence of the Minister of Justice, it is becoming more and more obvious that the house must depend on laymen to interpret the law.

Mr. Macdonnell (Greenwood): I think we should entirely agree with that statement and thank the Minister of Trade and Commerce himself.

Section 3, subsection 1, subparagraph (f) agreed to.

Section 3, subsection 1, agreed to.

On section 3, subsection 2—*Non-disclosure of information.*

Mr. Fulton: In view of the last remarks, I hesitate to raise another point, but I must say that I am more impressed with the argument of the Minister of Justice in this case than I was with the argument of the hon. member for Winnipeg North Centre, although by that I do not intend to detract from his knowledge of the rules of this house, for which I have the greatest respect. The point I wish to raise here is a question with regard to paragraph (c) of subsection 2 which it seems to me again gives to the minister the right to disclose information or rather to make available information gathered under paragraph (g) of subsection 1; it seems to me to give the minister the right to disclose that information in any civil action or proceedings, without any limitation being imposed on that right. Again it may be argued that obviously this right will never be used in an unfair or prejudicial manner; but I would ask the Minister of Justice, since he is here, if I am not correct in my opinion that there is no limitation, as the result of the working of this clause, on the right of the Minister of Trade and Commerce to disclose the information which he has acquired, in any action whatsoever, or proceedings whether or not they relate directly to the operation of this act or whether they arise out of any contracts or negotiations entered into under this act. In other words the minister, with the broad words that are in this paragraph (c) of subsection 2, has the right to disclose that information in any proceedings whatsoever. Subsection (2) reads as follows:

> No person shall disclose any information furnished under paragraph (g) of subsection one without the consent of the person from whom it was obtained, except
>
> (c) with the consent of the minister, in any civil action or proceedings.

My question is this. Are not those words so wide that the minister could consent and thereby authorize the disclosure of that information in any action or proceedings, even although that action or proceedings did not relate directly to any contract or negotiation made or arising under or by virtue of the operation of this act?

Mr. Lesage: Read paragraph (g) of subsection 1 carefully.

Mr. Fulton: While the minister is considering the point, might I make this additional elaboration. I can appreciate the fact that in certain civil actions arising out of the operation of this statute, it would be desirable for the minister to be able to authorize disclosure of the information obtained in connection with the act. It might be desirable to disclose that information in civil proceedings, but surely only in proceedings having relation to the contract, negotiation or order made under this act and not with respect to any other civil proceedings even though not involving, or not arising by virtue of that act. That is what I am interested in. I am interested in seeing whether we cannot find some words to exclude the right to give this information in civil proceedings not connected with the operation of the act.

Mr. Garson: First of all, I want to make absolutely certain that I understand my hon. friend's question properly. Section 3, subsection 1, reads:

> The minister may—

Then going down to paragraph (g):

> —require any person to furnish such information respecting defence supplies dealt in by him or projects of a type executed by him or respecting his production and other facilities relating thereto in such time and manner as the minister may specify.

That is, the minister may go to this man who is dealing in these goods, seek this information from him and presumably get it. Then the section goes on in subsection (2) at the top of page 3:

> No person shall disclose any information furnished under paragraph (g) of subsection one without the consent of the person from whom it was obtained, except
>
> (c) with the consent of the minister, in any civil action or proceedings.

I think that the question that has to be answered there, and which can only be answered I presume by the minister himself, is as to whether that provision in the act is not required to meet the needs of the case. If it is, surely it is a protection to the person who has given the information in the first place, is it not?

Mr. Fulton: It may be. I think we can divide the types of cases into two: first, a civil action or proceeding involving or arising somehow out of the operations of this act as out of an order, requisition or contract made as a result of this act. I can well imagine that in that type of case it would be desirable to have the information obtained under paragraph (g) of subsection 1 disclosed in that civil proceeding. But the type of civil proceeding in which that information may be disclosed with the consent of the minister is not confined to the type of case to which I have just referred. There are no limiting words on any civil action or proceeding. My question therefore is this. Surely that information could be disclosed with the consent of the minister in any conceivable civil action or proceedings whether or not they had any reference to anything that was done under this act.

Mr. Garson: I wonder if my hon. friend and I have two different opinions as to the way in which this legislation functions. As I understand, it works as follows: Suppose the minister wants certain information connected with defence supplies. He goes to John Doe and says: Mr. Doe, will you give me information in relation to your production? We will say that it is of some kind of military equipment which may be of a highly confidential nature; that is, confidential not only as regards Canada but also as regards John Doe, because there may be involved processes that he does not want his competitors to get hold of.

Mr. Fulton: Exactly.

Mr. Garson: All we are concerned with in this connection, as I understand it—and I hope the minister and the parliamentary assistant will correct me if I am wrong—is this. Once this information has been obtained by his department, then subsection 2 is put in the bill to protect John Doe against some kind of improper disclosure, by officials of the department, perhaps to John Doe's competitor, Richard Roe. Therefore they say: No person shall disclose any information furnished —by whom? By John Doe. To whom? To the minister—under paragraph (g) of subsection 1 without the consent of John Doe—it is his information—except in the case of a civil action where they had been subpoenaed, where you have got to respect the dignity of the court and the processes of the court, and that they then can do so but only when they have first obtained the consent of the minister who is head of the department. What could be more reasonable than a provision of that sort? It seems to me the provision that you have to go right up to the minister before any employee of the department can disclose any of the information which has been communicated in confidence is an excellent one, and the very sort of provision that needs to be here to protect John Doe who has imparted a lot of confidential information for his country's benefit.

Mr. Fulton: If we want to protect John Doe all you need to say is that no person shall disclose any of the information obtained under paragraph (g), subsection 1 of section 3. That protects him. This is too restrictive, because it is possible that other departments will require this information. We will say the information is obtained by an official of the Canadian Commercial Corporation properly in the exercise of the powers of the minister under paragraph (g) of subsection 1 of section 3. The minister said that, to enable him to obtain an inventory of the defence supplies to the country, right now that authority has been granted to the commercial corporation in making an inventory; and they are making investigations into the methods, the accounting practices and the cost of producing the stuff. That is allowed. It is provided by paragraph (a) of subsection 2 of section 3, which we are considering, that disclosure may be made in certain cases. I am sorry, it is provided by subsection 2 of section 3 that:

> No person shall disclose any information furnished under paragraph (g) of subsection one . . .

That protects John Doe. That is an absolute protection. Now it is desired to provide for disclosure in what are conceived to be proper cases. The first proper case is paragraph (a) of subsection 2 of section 3 which reads:

> To an official of a government department requiring such information for defence purposes.

There is no question that that is a proper case. Then we come to (b) which reads:

> In any prosecution for an offence under this act.

I presume again there is no question that that is a proper case for disclosure of the information. Paragraph (c) reads:

> With the consent of the minister, in any civil action or proceedings.

In other words, you are allowing this disclosure in any civil action or proceedings, although you are confining such disclosure to occasions when the consent of the minister is given.

Mr. Garson: My hon. friend is a lawyer. He must realize that when actions are brought in the civil court or when proceedings are taken in the civil court under the respective statutes, for the most part provincial statutes which set up these courts, they are empowered to issue subpoenas calling upon people such as Mr. John Doe to appear, and upon oath to make disclosure of whatever information within the possession of these people may be relevant to the issue that is before the court.

Mr. Fulton: The minister did not let me finish.

Mr. Garson: I am sorry; finish your statement.

Mr. Fulton: In the case that the minister envisages where the official getting the information was subpoenaed to give evidence it would be a complete answer to the requirement that he give evidence to say: "I am prohibited by the statute which says that no person shall disclose any information", so that the person getting the information would not be allowed to give it under the very terms of this clause that we are considering

which says that no person shall give the information which he has received. But then you take away the protection. You say that in any civil action or proceedings he may be allowed to give it if he has the consent of the minister. My point is that you have taken away his protection and he can be compelled to disclose the information in a civil action or proceedings with the minister's consent, even although that civil action or proceedings may have no reference or relationship whatsoever to anything which has taken place as a result of this legislation. I do not see why we should open the door that wide.

Mr. Garson: If my hon. friend will forgive me for saying so, I think he is under a misapprehension about opening the door. One of the effects of this subsection is that we are closing the door. Subsection 2 of section 3 says:

No person shall disclose any information—

Without the consent of the minister. That will refer to any official in the minister's department. The matter is of sufficient importance, as indicated by this subsection, that before any official of the department upon, we will say, being served with a subpoena calling upon him to appear, and adduce this as evidence, or testify as to it, can do so, he must take the matter to the minister of the department, who presumably will go into it very carefully; and if the minister says, "No, I will not consent", that is the end of the matter. That is protection. Surely ministers are continually exercising judgment on matters at least of this importance, I would say, day after day.

Not only is that so, but for the protection of the government in respect of these defence matters no person—in this case, in other words, John Doe—can give evidence with regard to what he told the minister without the minister's consent. That is the part of it that is the closing of the door. Now this is a matter of opinion. I admit that my opinion differs perhaps from my hon. friend's, but it does seem to me that ministers are exercising discretion every day on matters more difficult and more important than the question whether this information should be disclosed. It is not getting the minister an unreasonable privilege when his consent is required before this information is given.

Mr. Green: What I cannot understand is this. Paragraph (g) of subsection 1 of section 3 gives the Minister of Trade and Commerce very drastic power to force an individual to give information. It is only used where the individual has to be forced to give information. Once he has given that information surely the government should not, neither the government nor the minister, have the right to give the information to any civil court. I can quite understand that it might be all right to give the information to any department for defence purposes under section 3, subsection 2, paragraph (a), or in any prosecution under this particular act which, of course, would be in a criminal court; but I do not understand why the minister, or any other government official, has the slightest right to give that confidential information in a civilian court without the consent of the person from whom it was obtained.

The Minister of Justice has said that that may be a protection to the man from whom it was obtained. Surely that is not the situation. If the man from whom it was obtained was involved in a lawsuit he would be subject to the rules of the court before which his action was brought. He would have to give that evidence if the rules of the court provided for such being done. But I cannot understand what right the government has to give out this confidential information obtained by force without having the consent of the person from whom it was obtained when it is being given in a civil action. I do suggest that paragraph (c) of subsection 2 of section 3 should be struck out.

Mr. Garson: Does it not depend pretty largely upon how far we individually and as a house are prepared to grant ministerial discretion? I myself would have no hesitation at all because it seems to me that the minister is exercising discretion over matters much more difficult and complicated than this one here. I think it is necessary that it should be possible to produce this evidence in a civil action in certain cases without the consent of the minister, because you may have a set of circumstances which are difficult to foresee where in 1953, we will say, it is highly in the public interest that information should be disclosed to the courts in civil proceedings which the minister had received in 1948 from a corporation—and most of this information will come from corporations—that by 1953 may be completely defunct. If the consent of that corporation is required then owing to a special combination of circumstances that information may never see the light of day in a manner that might be very definitely against the public interest.

If in the course of the working out of this arrangement between John Doe and the minister, without any great fault on either side, a dispute develops and litigation in the courts ensues in relation to that very matter, surely to goodness the minister can give consent in order to get the facts into that action which

would be a civil action in the exchequer court. Surely we are not going to say that because of some statute we have passed the very information upon which the whole cause of action as between John Doe and the crown hinges is going to be locked up in the bosom of John Doe and not be available to the judge to decide. For my part I think there are many cases where we have given a minister power that is more widespread than this.

Mr. Green: In a case of that kind between the government and John Doe the rules of court would provide for compelling John Doe to produce the documents and to give evidence. But this is a case where the minister steps in and forces John Doe to give information for the purposes of this act. Why should that information which is obtained for the purposes of this act be made available for some civil proceedings having nothing whatever to do with the act unless John Doe consents to that being done?

Mr. Harkness: What I was going to ask the minister before all this legal business came up was what situation he foresaw which would make it necessary that this should be there at all?

Mr. Howe: We have been through about ten years of the application of the munitions and supply act and the minister is frequently asked if certain information can be released for a legal proceeding and at times the minister has to say "No." It seems to me far better that the minister should say "No" than for a witness to go on the stand and say that he cannot give the evidence because the law will not allow it.

Section 3, subsection 2 agreed to.

On section 3, subsection 3—*Public Works Act.*

Mr. Green: Does this subsection 3 fit in with section 6 (e)? This subsection 3 exempts certain types of contracts from the provision of the Public Works Act which prescribes that tenders must be called. As I read section 6 (e) it also exempts the minister from the provisions of the Public Works Act in a wider field. Can the minister state whether both of these provisions cut down the effect of the Public Works Act, or just what is the relationship between these two subsections and that act?

Mr. Howe: The former act provided a blanket exemption that it would govern regardless of any other statute, but this act does not do that. Where there is a departure from the provisions of another act that departure is written out in detail. There is no general departure from any other statute. The Public Works Act provides explicitly that every contract shall be let by tender, and certain exceptions are set out here.

Mr. Green: The same is true of section 6 (e).

Mr. Howe: That is right.

Section 3, subsection 3, agreed to.

Sections 4 and 5 agreed to.

On section 6—*Requisitions.*

Mr. Fulton: Paragraph (e) of this section provides:

> (e) a contract may be entered into by the minister without the approval of the governor in council if—

Then three alternative requirements are set out and the paragraph continues:

> —but the minister shall make a report to the governor in council in respect of any contract involving an estimated expenditure exceeding five thousand dollars and entered into without the approval of the governor in council.

Is there anywhere in the act a limitation as to the time within which that report must be made to the governor in council?

Mr. Howe: There is no provision in the bill, but they are customarily made monthly. Each month a report is submitted to council setting out the contracts that have been made and which do not require approval of the governor in council. Those are contracts under $5,000 or contracts made in time of emergency. If it covers an important matter of emergency the order in council is submitted at the earliest possible moment and the matter reviewed by council.

Section agreed to.

Sections 7 and 8 agreed to.

On section 9—*Repeal.*

Mr. Knowles: I have a few remarks I should like to make and I also intend to move an amendment.

Mr. Fulton: A legal amendment?

Mr. Knowles: Yes. It is perfectly in order. There are two subsections in this section. Subsection 1 repeals the Department of Munitions and Supply Act with the proviso that certain sections of that act will continue to apply to certain contracts specified in the subsection. One can have no quarrel with the repeal of the Department of Munitions and Supply Act for it is being replaced by the powers set out in the bill now before us.

Subsection 2 repeals the Defence Purchases, Profits Control, and Financing Act, 1939, and thus wipes off the statute books the only bit of legislation which places a limitation upon the profits to be made out of defence and

war supplies. I realize that section 7 of the Defence Purchases, Profits Control, and Financing Act, 1939, which placed a limitation on the profits, was overridden by the Department of Munitions and Supply Act, but under subsection 1 of this section that act goes by the board. Without getting into too much of a legal argument, it seems to me that if section 7 of the Defence Purchases, Profits Control, and Financing Act of 1939 remained on the statute books, it would now apply. My point, if I may state it again, is that the statute that overrode the 1939 act is repealed by the provisions of subsection 1 of section 9 of this bill. That leaves the 1939 act alive, at least for the time being. I for one feel that section 7 of the Defence Purchases, Profits Control, and Financing Act, 1939, should not be wiped off the statute books.

Reference has been made during the course of this debate to some of the things that were said when that act was brought before this parliament during the first session of 1939. The late Ian Mackenzie, who was then minister of national defence, introduced the measure and made many references to the feeling in the country that profiteering in war supplies was abhorrent to the people of Canada and something to which the government wanted to put a stop. At page 1767 of *Hansard* for March 10, 1939, the late Ian Mackenzie said:

> The government, if I may speak for them, believe in the principle of equality of sacrifice; that in wartime men should not be required to offer their lives and limbs while those who provide the weapons of destruction have even the possibility of reaping undue profits.

He also said on the same occasion:

> The government is determined that in peacetime, where private industry must be utilized, there shall be the strictest possible regulation of profits both in the interest of the taxpayer and in deference to public abhorrence of profits made from products which involve destruction of human lives and misery among nations.

I would remind hon. members of the quotations the hon. member for Kootenay West made yesterday from articles written in years gone by by the present leader of the opposition. I would also remind members of the quotation that the leader of the opposition gave us yesterday from a speech made by Mr. Mackenzie King in years gone by. We are all together; we all say the same thing, that we do not want profits to be made out of the manufacture of war materials.

The particular formula or provision set out in section 7 of the Defence Purchases, Profits Control, and Financing Act, 1939, may not be the best way to achieve the aim of limiting the profits to be made out of war materials,

[Mr. Knowles.]

but until something better is produced I for one do not like to see that formula and the principle behind it wiped off the statute books of the country. As I have already said, it is the only take-the-profit-out-of-war provision on our statute books. I have heard the explanations made by the Minister of Trade and Commerce on a number of occasions as to why the government found it necessary to override the provisions of section 7 of that act in the fall of 1939. Maybe the explanations are acceptable and maybe they are not, but whether they are acceptable explanations or otherwise it seems to me that the mere statement that one particular formula was not satisfactory is not a sufficient reason for doing away altogether with the principle of taking the profit out of war. I would go further and say that I think 5 per cent is too much profit to be made out of producing war materials; I think all profit should be taken out of war, and then perhaps we might get rid of war itself; but at least we have that kind of provision on the statute books now, and I do not think we should take the retrograde step of doing away with it.

I believe the course that parliament should follow at this time is to retain that provision on the statute books. Then if the government feels that that particular formula is not the best one for doing the job let them bring in an amendment to provide another formula. In the meantime let us not wipe out the only piece of take-the-profit-out-of-war legislation that we have. I am sure that that provision is the least that the Canadian people want. I may say to the government that the Canadian people have not forgotten the fact that the 5 per cent clause was overriden in 1939 by the Department of Munitions and Supply Act. I know there was a good deal of feeling about it. I know that if the committee makes the decision now that that legislation is to go by the board for good, many Canadians will wonder just what it is all about.

The surest way to give Canadians confidence that our defence policy is clearly a defence policy, and that we have not yielded to the greed involved in profits made out of war supplies that was mentioned by the former prime minister, Mackenzie King, the leader of the opposition and others, is for the committee to say today that we are going to keep section 7 on the statute books at least until something better is provided. Toward that end, Mr. Chairman, I move:

> That clause 9, subclause 2, be amended by adding thereto immediately after the word "repealed" the following words:
>
> "except for section 7 of the said act, the provisions of which shall apply to all contracts made under this act."

So that it will be clear on *Hansard* what the effect of the amendment will be, may I say two things. First of all I should like to read section 9, subsection 2, as it would read with my amendment. It is as follows:

9. (2) The Defence Purchases, Profits Control, and Financing Act, 1939, chapter 42 of the statutes of 1939 (first session), is repealed, except for section 7 of the said act, the provisions of which shall apply to all contracts made under this act.

The other thing I should like to do is to indicate briefly what is contained in section 7 of the Defence Purchases, Profits Control, and Financing Act, 1939. It is a rather lengthy section with nine subsections and one of the subsections has three subparagraphs. But the gist of the section is contained in the first two subsections, which I should like to read. They are as follows:

7. (1) The maximum net profit received by any person in respect of any contract to which this section applies shall be limited to an amount equal to five per centum per annum on the average amount of capital of such person employed in the performance of the contract.

(2) There shall be levied upon and paid to His Majesty, by any person who is a party to a contract to which this section applies, a tax equal to the amount by which the net profit in respect of any such contract exceeds an amount equal to five per centum per annum of the average amount of the capital of such person employed in the performance of the contract.

As I have already indicated, there are seven more subsections, making nine in all. The others give details as to how the principle of this section is to be applied. I should like to point out that if my amendment carries it would then make the provisions of section 7 of the Defence Purchases, Profits Control, and Financing Act, 1939, apply to contracts made under the bill now before us, which is known as the Defence Supplies Act. I feel very strongly that we should not wipe out section 7. The remainder of the Defence Purchases, Profits Control, and Financing Act, 1939, can go. Those provisions have been replaced by other provisions, but until something better is produced section 7—the only take-the-profit-out-of-war legislation we have—really ought to stay on the statute books of Canada. I hope that the committee will support my amendment.

Mr. Howe: Mr. Chairman, perhaps I can shorten the discussion by pointing out the objections. It has been found in practice that the clause in question is entirely unworkable. For example, milk is one of the supplies bought in large quantities. How would my hon. friend determine the capital employed in producing milk? I suppose it would be the value of the cow. Under that clause the government would be limited to paying a price for its milk that would return 5 per cent per annum on the cost of the cow. You can multiply that example by any number, but the one I am giving obviously meets the situation. There are a great many. The worst is where the production is a very small fraction of the output of a certain industrial plant, and it is quite impossible to determine the amount of capital employed in the production of the article in question.

I might point out also that I believe when that act was passed the tax on corporate profits was 5 per cent. Today it is 38 per cent in all provinces except Ontario and Quebec, where it is 40 per cent. Suggest for example the profit margin be written down from 5 per cent to 3 per cent. If the total profit a man may make is 3 per cent of his capital, he would be much better off buying dominion government bonds, which yield about that, and sitting back collecting his 3 per cent without producing anything at all. That would be the course of prudence, because in that way he could not lose. My hon. friend is not making any provision to take care of losses; he is just eliminating profits. If a man is interested in profits, the kind of man my hon. friend is trying to curb, he would certainly find a sure way of getting profits and of avoiding losses. I just mention these things to show how utterly unworkable that provision is; therefore it is quite unacceptable to the government.

Mr. Knowles: If I may just have a word before the leader of the opposition rises, as the minister probably knows, in the latter part of section 7 there is an exception respecting contracts for which there is competitive bidding or tendering, whatever the phrase may be; I did not take time to read the whole section to the committee. I would assume that some of these products which are supplied by a great many people, such as milk, would come under that exception. It seemed to me quite clear from reading the whole section that the kind of supplies it would clearly apply to would be direct war supplies, with particular reference to munitions, as was the intention of the government in 1939.

As to the other question and the minister's reply to it, I simply say two things. I have spoken to at least one chartered accountant who tells me that it is possible, on a cost accounting basis, to meet the provisions of this section. The other comment I make is that I am not now asking the committee to accept something I have devised. I am simply asking the committee to agree to retain on the statute books something that was put there by this Liberal government, that was worked out by this government and

which the minister, in presenting it, said was really the best that had been done in the field of limiting profits on war materials.

Mr. Howe: And it never worked.

Mr. Knowles: It was never tried.

Mr. Drew: This is the last section of the bill. It is not necessary to review the discussion that has taken place, but before this section is carried I do think it appropriate to examine what really is happening through the repeal of the two acts mentioned in this section and their replacement by this single act. One of the difficulties hon. members have encountered in discussing this whole subject was not that of understanding what had or had not been done, but rather understanding exactly why this is being done and why it is necessary at all. The minister has just given an illustration of the difficulty we find in knowing when to take him seriously, in his illustration of what he views as one of the difficulties in restraining profits under one of the acts that are to be repealed. He says that since milk might be required for these purposes, probably the only way you could determine that would be to find the cost of the cow and then take five per cent of that capital investment. The minister may have considered that a humorous illustration, but he knew perfectly well that neither he nor any other minister is going to be dealing with people who are operating individual cows. If they should be getting milk they will get it in bulk, from people who keep accounts—as undoubtedly the Minister of Finance will see that they do—and so far as that operation is concerned there would be very little difficulty in determining the exact situation.

Nevertheless I recognize the point made by the minister, and there may be practical reasons why a fixed limit is not satisfactory to cover the over-all field. However, by the very fact that he illustrated his point by referring to milk the minister emphasized that the legislation now before us is intended to have very wide application, beyond ordinary defence supplies. That is exactly the point we have been trying to make.

The statement has been made already that the Canadian Commercial Corporation is able to perform these duties and that it has been regarded as the agency to purchase in the place of the department of munitions and supply, and to carry out the functions related to the munitions and supply act. In that connection I would like to place on record what the minister had to say in regard to the Canadian Commercial Corporation on another occasion. On March 24, 1949, when an amendment to the Canadian Commercial Corporation Act was before the house and the minister was speaking in support of that amendment, he had this to say at page 1946 of *Hansard* for that year:

> It was set up that way at first, but since it has become the purchasing agency for the Department of National Defence, since it has taken the place of the Department of Munitions and Supply, if this amendment passes it will be a continuing agency.

In case there were any doubt as to what kind of agency was meant, on page 5 of the report of the Canadian Commercial Corporation presented to the minister for the year ending March 31, 1948, I find these words:

> During the year the corporation, acting at the request and in the name of the Minister of Trade and Commerce, continued to fulfil the minister's obligations as exclusive purchasing agent for the Department of National Defence.

That is exactly what we have been saying; that this corporation has been the exclusive purchasing agent of the Department of National Defence and, to use the minister's own words, that it has taken the place of the department of munitions and supply. I do not think anything has been said here by the minister to suggest any reason why the Canadian Commercial Corporation should not continue as the exclusive purchasing agent for the Department of National Defence without the need of eliminating some of the safeguards which already exist. Surely it is possible to continue the Canadian Commercial Corporation, to strengthen it and facilitate its operations in every way by any amendments that may be found necessary.

On one point I do not think there is any real difference of opinion in this house. I believe all hon. members are equally desirous of having effective procedures followed so that the defence forces of this country may be supplied with the most advanced, most efficient and most effective equipment of all kinds, and I am satisfied that every hon. member will support what he believes will carry out that objective. One thing, however, that I think should be borne in mind is that the design of weapons, the design of defence equipment, rests now and will continue to rest with the Department of National Defence. The passing of this act does not change that situation. By passing this bill we are not changing the procedure by which the most effective and efficient design may be obtained. This is a procurement agency for the purpose of obtaining defence supplies. The Canadian Commercial Corporation has been regarded as efficient for that purpose, and for that reason I believe it should be continued, with whatever amendments may be suggested as desirable.

Mr. Lesage: Mr. Chairman, I should like to know whether what the leader of the opposition is saying now has to do with the amendment which is before the committee to limit profits?

Mr. Drew: Just this, that I am speaking directly to the fact that I see no reason why this section should be passed amending the act which has already been referred to in the section.

Mr. Lesage: But the hon. member for Winnipeg North Centre has moved an amendment to the effect that profits should be limited. I do not see how the remarks of the leader of the opposition now could be related to that amendment.

Mr. Green: Leave it to the Chairman.

Mr. Lesage: I am leaving it to the Chairman.

Mr. Drew: I am pointing out that section 9 deals with the Department of Munitions and Supply Act, and repeals the Defence Purchases, Profits Control, and Financing Act. What I have said is directly relevant to this matter.

Mr. Lesage: On a point of order, Mr. Chairman, I insist on having a decision. We are on the amendment to section 9, and I believe we should discuss the amendment and dispose of it. Then, the leader of the opposition could make his remarks.

The Deputy Chairman: I have heard enough from both sides to enable me to arrive at a decision. There is no doubt that at this stage the discussion must be relevant to the amendment that has been moved by the member for Winnipeg North Centre. Therefore, I should like the general discussion to be delayed until after this particular amendment has been disposed of. Furthermore, the scope of section 9 is quite broad. There is also an opportunity for a general discussion of the bill when the title is called.

Mr. Drew: Mr. Chairman, in regard to the amendment in the form that it is before us, I would point out that while it leaves section 7 of the Defence Purchases, Profits Control and Financing Act operative, if it were accepted it would still be possible for the Minister of Trade and Commerce to concur in any further amendments in regard to the amounts named which might meet with what he would regard as a practical provision, or even if actually naming a figure is out of the question a simple amendment could be moved to provide a procedure by which the profits could be controlled. Personally I believe it is a mistake to repeal this act without bringing into legislation some of the features of this act which we have before us, because in addition to section 7 there are other sections of considerable importance, particularly the section requiring the calling of tenders wherever that is practical. So for that reason, Mr. Chairman, I would strongly urge the minister to consider the retention of those safeguards.

I recognize that, whatever the views that have been expressed in the house, this act is going to pass in the way that the minister indicates it will. Therefore, whatever expression is made on this section at the present time, one can do no more than to place on the record views which conceivably may have some influence on the operation of this act. I am speaking now to this amendment which is, in itself, not complete, but in raising it for the purpose of discussion I think it has served the purpose. Once again it brings before us the fact that we are doing away with an act that was introduced by this government, and hailed by this government as a progressive piece of legislation to avoid any abuse in connection with the production of defence equipment. In addition to the provision for the reasonable limitation of profits, there were other safeguards such as the calling for tenders. Those safeguards now disappear. I think this is a retrograde step, and in addition I do not believe we have been given any sound reason for the introduction of this legislation in this form.

Mr. Gillis: I want to get my own mind clear on this subject. The measure before the house now not only repeals the Department of Munitions and Supply Act, but if section 9 of the bill passes it repeals the Defence Purchases, Profits Control and Financing Act which contained a provision for the limitation of profits. Unless we are prepared to amend section 9 of this bill as suggested by the member for Winnipeg North Centre, then we are not only wiping out the Department of Munitions and Supply Act but we are also wiping out the Defence Purchases, Profits Control and Financing Act. That is one thing we want to understand. This one measure is replacing two that had some merit.

With regard to the argument of the minister that the limitation on profits was not carried out because, as set out in that act, the formula was not workable, it is my honest opinion that the formula was not tried out. I cannot see any reason why it was not workable. In trying to let contracts at that time the minister might have done his best, but I do not believe that the people with whom he was dealing accepted their responsibility during wartime. I believe that the events which transpired in the latter part of the war with regard to plant and equipment bear out that

statement. The minister says it would be difficult to work out a formula to get the capital invested in any given project. I do not believe he was serious when he made his comparison with the cow. I may be simple-minded, but simple-minded people are honest, and I believe that anyone with an honest approach could work out a formula. There would be little difficulty about it.

In the event of an emergency the minister might want a munitions plant put up, or he might want the Canada Car and Foundry to extend its peacetime plant to build aeroplanes. I do not think there is ay difficulty in determining the cost. All the Canada Car and Foundry has to do is to allocate a certain portion of its plant to build aeroplanes and retool it. The only capital invested in the particular project is the cost of stripping the plant of its peacetime machinery, and retooling to go into the production of aeroplanes; that is the capital investment. Then, of course, there is the cost of constructing the aeroplane. There is no difficulty if you decide the profit limitation under a war contract is going to be 5 or 10 per cent. If the person who is going to manufacture war materials is interested in the war, is interested in the principles you are fighting for and in the maintenance of your institutions—democracy, freedom and all those things—he should not worry too much about making a whole lot of money. I do not think that those who manufactured war materials tried very hard to apply that formula when you consider that the Minister of Trade and Commerce, who was minister of munitions and supply at that time, said that they did their best but that they could not let any war contracts with that profits limitation provision in them.

I am also not unmindful of the statement that was made by Right Hon. Arthur Meighen who was in the Senate during the time that this controversy was fairly hot. He said that hundreds of his business associates—and this statement may be found in Senate *Hansard*—were resting on their oars because there were not any profits to be made; and if there were no profits in war, there was nothing to fight for. That is the actual quotation as I remember it. The hundreds of those business associates were not trying very hard, on the basis of patriotism, to work out that formula of limiting profits on war contracts.

As one member of this committee who has listened to these discussions a good many times, I do not accept the suggestion that that formula of limiting profits is not workable. I think it is easy to work. I do not say whether you should draw the line at 5 per cent, 10 per cent or 20 per cent; that is immaterial. But before we close this discussion I think that we should at least retain in that defence purchases act the principle of profit limitation in the event of an emergency. If we do not accept the amendment now before the committee, we are not only wiping out the Department of Munitions and Supply Act but we are also wiping out the defence purchases act. This act is one of the statutes passed in 1939, and it contains that principle. Despite the fact that it has been there since 1939, it was overridden by the Department of Munitions and Supply Act. No attention was paid to it and millions and millions of dollars of the money of the Canadian taxpayers were spent in building during the war, plant and equipment which was written off at accelerated depreciation. It was not a matter of making profits during the war but it was a matter of getting millions of dollars' worth of plant and equipment that was written off in three years under that accelerated depreciation plan. Nobody suffered.

I think we should benefit by the experience we had just a couple of years ago, and that every one of us should seriously consider not throwing the whole responsibility on one minister. This particular matter is one for every member of the committee. It is not a government matter at all. It is a matter of principle. I am seriously suggesting that we should understand what that amendment proposes to do. It merely proposes to retain in the defence purchases act the principle of profit limitation. If and when it is necessary to fight a war, and I hope it will never happen, then at least you have the principle there; and in the event of an emergency, someone has authority, under the terms of the act, to sit down and work out some kind of formula with regard to the limitation of profits.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Knowles) negatived: Yeas, 31; nays, 60.

The Deputy Chairman: Shall clause 9 carry?

Mr. Drew: For the reasons that I have already indicated, Mr. Chairman, I move:

That section 9 be amended by deleting subsection 8 thereof.

Some hon. Members: Question.

Amendment (Mr. Drew) negatived: Yeas, 34; nays, 62.

The Deputy Chairman: Shall clause 9 carry?

Mr. Knowles: On division.

Section agreed to on division.

The Deputy Chairman: Shall the title carry?

Mr. Drew: On division.

Mr. Green: This morning the minister said that he would give us an answer with regard to the stockpiling plans at the present time. Is he prepared to do that yet?

Mr. Howe: I am told that we never have given out the exact figures. I think I prefer not to give the figures. It is not customary. The United States does not give them. The amounts that have been expended have been included in the estimates. My hon. friend can find them by looking over the estimates of the past. I would not care to give the quantity.

Title agreed to on division.

Bill reported, read and the third time and passed on division.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

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

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to issue securities not exceeding $24,582,489 in principal amount to provide the moneys necessary to meet capital expenditures made or capital indebtedness incurred during the calendar year 1950; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the making of temporary loans to the said company secured by such securities and not exceeding $24,582,489 in principal amount to enable the said company to meet such expenditures and indebtedness; with authority to give financial aid and assistance to other companies of the said national system and to authorize the Minister of Finance to place at the disposal of the national company or the Trans-Canada Air Lines, such amounts as may be necessary to enable them to pay operating and income charges if at any time before the first day of July, 1951, the available revenues of the national railway system or the Trans-Canada Air Lines and subsidiaries, respectively, are not sufficient to pay such charges: provided that all such amounts shall be reimbursed to the minister from the recipients' annual revenues in so far as such revenues are sufficient, any insufficiency to be provided for by subsequent deficit appropriation by parliament.

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

Mr. Macdonnell (Greenwood): Is the parliamentary assistant going to make a statement?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Mr. Chairman, this is the resolution which is presented each year to introduce a bill to provide for the financing of the Canadian National Railways. Each year the Minister of Transport presents to parliament the annual report of the Canadian National Railways and the budget for the coming year, which is then referred to the sessional committee on railways and shipping, owned, operated and controlled by the government. That was done this year on March 23. The committee had 22 meetings, and presented its final report to this house on May 11, at which time they had adopted the budget of the Canadian National Railways and the Trans-Canada Air Lines for the coming year.

The Minister of Transport then turns to the Minister of Finance to introduce a finance bill to provide for the capital expenditures which are included in this budget. This present resolution is identical in terms with the resolutions of previous years with the exception of the actual amounts involved and the deadline. It actually falls in three parts: First of all, the authorizing of the Canadian National Railways to issue securities, in this case not exceeding $24,582,489 in principal.

The second part is that the government is empowered, on the security of these securities, to make advances to the railway against its capital expenditures until such time as it is judged opportune to float a bond issue.

The third part authorizes the government to make advances to the Canadian National system in case their current revenues are not sufficient to cover current operating expenses and income charges. It is here that the only change in this resolution occurs. Always before the deadline for such advances has been March 31 of the year ahead. Last year, for example, the resolution had the deadline March 31, 1950. However, the lateness of the presentation of the report this year has got us in this position, that we are now past that deadline. Since March 31 the government has had no authority to make such advances to the railway, and as this will probably happen again it was thought best to advance this deadline to July 1, 1951. I expect that to be carried on in future years, so that the parliament will have passed this bill and the authority for such advances thus made before the July 1 deadline.

I do not think there is anything else that I can say here. I have here a great mass of detail on the bill which I suppose may best be discussed when the actual bill is before the committee.

Mr. Macdonnell (Greenwood): I want to make a few brief comments on this. In the first place it is a little like discussing the affairs of the railway in a vacuum when we are so close, or hope we are so close, to the report of the royal commission which has been inquiring into the railways and which

is charged with the heavy responsibility of making recommendations which may go a very long way toward changing the situation which we are dealing with now. It is very desirable that that report should come down as rapidly as possible. I hope it will be comprehensive and effective when it comes, because at the present time we seem to be in the very unfortunate position that these great public institutions, our two great railways, through no fault of their own, have aroused a certain amount of irritation in the public mind by reason of events that we are already familiar with. I do not propose to take further time on that.

I should like to ask a few questions for the purpose of elucidating some of the points which arise in this resolution. The parliamentary assistant has pointed out first of all that we are asked for the authority to issue securities not exceeding $24 million odd to provide the money necessary to meet capital expenditures and indebtedness incurred, and to authorize the government to lend money against these in the interim. These are described as principal amounts to meet capital expenditures. I take it that is for the Canadian National and subsidiary companies; that is to say the whole system. The relationship to the Trans-Canada Air Lines, as I understand it, is different. It does not include public expenditure for the Trans-Canada Air Lines. Am I right?

Mr. Sinclair: No. The Trans-Canada Air Lines is regarded as part of the national system.

Mr. Macdonnell (Greenwood): Yes, but the Canadian National as the owner of T.C.A. is, I take it, in the position where it is called upon to make and does make advances to the T.C.A. from time to time.

Mr. Sinclair: Quite right.

Mr. Macdonnell (Greenwood): What limitation, if any, is there on that? That is no part of the $24 million? Does that come in where it speaks later of "authority to give financial aid and assistance to other companies" or will the assistant explain just where that money for T.C.A. would come from and just what limitation there would be on it?

Mr. Sinclair: Perhaps my answer could be given better on the bill when we shall have people from T.C.A. here. T.C.A. is regarded as just one of the companies of the national system as far as these finances are concerned. There is no more limitation on them, so far as capital expenditure is concerned, than on any other of the units of the Canadian National system. All of these proposed capital expenditures, of course, were in the budget of the Canadian National Railways and the Trans-Canada Air Lines when it was submitted to the sessional committee. The large items are given actually in the bill, in the second section of the bill. If there is any interest I could put them on the record now. They are also in the report of the sessional committee. The Canadian National Railways is the organization which comes forward under this bill for the authority to issue securities up to this amount.

Mr. Macdonnell (Greenwood): I think this information could be obtained just as well when we have the bill, but I think we should be a little more clear as to the distinction which apparently does exist between the relationship of the Canadian National Railways to its constituent companies in one group, and to the T.C.A. which is set out separately.

Resolution reported, read the second time and concurred in.

Mr. Fournier, Hull (for Mr. Abbott) thereupon moved for leave to introduce Bill No. 310, to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1950, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

COMMITTEES OF THE HOUSE

SECOND REPORT OF SPECIAL COMMITTEE ON DOMINION ELECTIONS ACT

Mr. Sarto Fournier (Maisonneuve-Rosemont): Mr. Speaker, if I may have leave to revert to routine proceedings, I desire to present the second report of the special committee on the Dominion Elections Act, 1938.

BANKING AND COMMERCE—FIFTH REPORT

Fifth report of standing committee on banking and commerce.—Mr. Cleaver.

DOMINION ELECTIONS ACT

AMENDMENTS WITH RESPECT TO VOTING RIGHTS OF ESKIMOS AND INDIANS, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, a few moments ago the chairman of the special committee on the Dominion Elections Act presented its report, and I should like to have the consent of the house for leave to introduce a bill based on that report. This wish on our part was made known to the leaders of the parties opposite and as far as I know they are agreeable. If the bill is given first reading now, it can be printed overnight and be in the boxes of hon. members

tomorrow and they will have an opportunity to consider it over the week end before it is called for second reading.

With the consent of the house, therefore, I would move for leave to introduce Bill No. 311, to amend the Dominion Elections Act, 1938.

Mr. Graydon: Was the report of the special committee on the Dominion Elections Act concurred in? I understood that it was merely presented.

Mr. Harris (Grey-Bruce): It was not concurred in. It was not intended to be concurred in, because the government is adopting the terms of the report.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

(Translation):

Mr. Gagnon: Mr. Chairman, immigration is so closely linked with all forms of civil, economic, social and religious activity in this country, it has such far-reaching effects on the present and future life of this nation, that the solution of this problem affects our whole social structure.

The working classes are most concerned with immigration such as it is practised by the present government. It worries them a great deal, since it provides dangerous competition. The workingman is fully cognizant of the fact that the unscrupulous employer may thus find a pool of cheap labour into which he may dip at will, and which will allow him freely to regulate his employees' wages and, consequently, their standard of living.

Whether we like it or not, and with all due deference to my honourable friends, may I be permitted to say that immigration is and will remain a source of unemployment in Canada, as long as we are not in a position to take more active care of the newcomers, as long as the opportunities for farm settlement in Canada remain limited.

However, it is not my intention to deal with this very complicated question in all its implications and from all angles, but I simply want to make known the views of my constituents on this matter.

As the Minister of Finance (Mr. Abbott) recalled in his budget speech on March 28 last:

> Total labour income, in spite of the one per cent fall in employment, has continued to increase, and its monthly rate at the end of the year was about five per cent above the same months a year earlier. Average weekly wages rose about three per cent during the year, while the cost of living advanced barely one per cent.
>
> While the decline in employment as a whole has been small, the increase in unemployment has been greater, due, of course, to the fact that the total labour force continues to grow. The outlook for 1950 seems to be that the volume of employment will increase moderately, but it is possible that it may not catch up with growth in total labour supply.

These words, besides indicating unequivocally that the problem of an ever-increasing labour supply is disturbing the politicians who, during the last war, promised that there would be no unemployment after the war, clearly indicate that industry this year will be unable to cope adequately with the demand of those seeking employment to allow them to secure the necessities of life and, especially, to face the high cost of living.

If unemployment was anticipated—in fact, the government did not believe in it since this evil had befallen us long before the minister made in the house the statement to which I have already referred—why then persist in bringing to this country immigrants who are apt to glut an already overstocked labour market?

The position of the Canadian economy is such that it cannot absorb such mass immigration as we have had since 1945. On the contrary, present circumstances would seem to call for a complete halt in immigration until jobs have been found for all our own people.

> During 1949 the civilian labour force of Canada, including Newfoundland, averaged approximately 5,200,000, a gain through natural increase and net immigration of 110,000 over 1948. Employment averaged 5,055,000, an increase of 80,000 over 1948. Unemployment, defined as those wholly unemployed and looking for work, averaged 145,000 in 1949, an increase of 30,000 over the previous year.

Those statistics, taken from the budget papers, show that in spite of the vastness of our territory, the extraordinary wealth of our resources, the rapid expansion and constant progress achieved by our country during the past fifty years, excessive immigration is disrupting our economy. Commenting upon those facts, *Le Devoir* wrote as follows on April 30 last:

> If unemployment is on the increase, it is not because our economic activity is decreasing, but rather because the number of jobs does not increase

as rapidly as the number of workers. This can be demonstrated mathematically. During the year, the number of workers increased by 110,000, while the number of jobs available increased by only 80,000. There is a difference of 30,000. Thus, there are exactly 30,000 more unemployed. The equation is perfect.

Unfortunately, the white paper does not distinguish between the contingent of new workers supplied by the normal increase in population and the net contingent afforded by immigration. Possibly, the shortage of 30,000 is about equal to the number of workers who have migrated here. In round figures, some 360,000 immigrants have come to Canada from the time the war came to a stop to the end of 1949. As the percentage of workers was high among these immigrants, they must have numbered over 200,000. And we had 145,000 jobless.

Now, in mid-June, hundreds of thousands of workers are still unemployed.

In my constituency alone, the latest reports indicate that a few thousand people are still looking for work, but to no avail.

What will happen next winter when insurance benefits are exhausted?

On the other hand, we are told that so far the government has favoured a selective immigration policy. I should like to know in what way it has been selective.

Did the government try to bring into Canada immigrants of Anglo-Saxon origin only or Jews expelled from every country in Europe? How has the government chosen between English, French, German or Spanish immigrants? Has any preference been shown for any one race, language or creed? If so, for which race, language or creed, and why?

Did the selection apply only to moral, health and political standards? I don't know. But I do know that miners, domestic servants, labourers were brought in, as well as a great many people who are neither technicians nor experts and who, consequently, are likely to be unemployed at the first sign of a recession.

If we need highly skilled craftsmen, scientists, men of learning, it is not only a good thing, but a desirable and necessary one to facilitate their coming to this country. But Canada must not be considered by other countries as the natural outlet for their surplus population. Canada should not be made a ghetto or a back-door to the United States.

An editorial on this subject, which appeared in the April 4th issue of *Le Soleil*, the Liberal party's official paper in Quebec, makes interesting reading. It is entitled "Against mass immigration." The writer says:

[Mr. Gagnon.]

One of the natural consequences of the neighbourly relations between Canada and the United States is that a great many earnest workers are prevailed upon to leave the poorer country and move to the wealthier and more favoured one, in the hope of bettering their lot. That unfortunate situation has arisen everywhere borders are easily crossed. This loss of the very blood and sinews of this country has had its effects on every class, even among refugees and immigrants. In spite of these losses, our population is increasing, as well as employment opportunities, but in unequal ratio.

And it is surprising to learn that unemployment is also growing when employed workers are more numerous than ever. In view of these circumstances, for what practical purposes does the government still want to admit thousands of foreigners for whom there is no need generally in the professions, in industry and in business? The only reasonable explanation for this policy is that, first, the country will need more mouths to use up our agricultural production and more hands to defend our shores in case of an invasion. A reason less readily admitted is the device of using D.P.'s as return cargoes on our otherwise empty ships. Before these newcomers are able to bring returns to the nation which extends hospitality to them, they are dependent on the poor as on the rich, on private charity as on public relief, on large families already overcrowded in small accommodations as on the owners of magnificent residences. And each immigrant finding employment takes a potential job away from the student or the apprentice seeking to settle in his own native country.

We, the people of Chicoutimi county, want to keep Canada for Canadians. The pioneers of this country have indefeasible rights, of which our government is not free to deprive them for the benefit of certain promoters of immigration. Instead of spending millions to bring over from Europe fur merchants, ladies' wear manufacturers and dealers in ready-made garments, we should think of our wage earners, of the humble folk, of all those of our people who falter under the heavy burden of taxes and the high cost of living, and use a few of those millions to alleviate their distress and suffering, as well as to provide jobs for them.

(Text):

Mr. Henry: Mr. Chairman, it would be difficult for the member for Rosedale to remain silent in this debate upon the estimates of the Minister of Citizenship and Immigration. The population content of the riding is such that it is important that I place before members of the committee certain views on the important question of immigration. We have in Toronto-Rosedale unity in the midst of diversity from the standpoint of the various racial groups in the community. We have the usual groups which are found in the majority

throughout Canada. I refer to those of English, Irish, Scotch and French origin. They are in the majority in the riding but we have several important racial groups in the riding constituting a strong body of new Canadians. They are proud of their traditions and the great things that make them what they are.

I should like to mention the Hebrews, Macedonians, Poles, Ukrainians and Italians in particular. They are citizens who are proud to be Canadians. Right within the riding of Rosedale they demonstrate a spirit of tolerance second to none in Canada, and they live in harmony as true Canadians beside their fellow Canadians of the majority group. Despite diverse racial origins and creeds there is great harmony and a spirit of community building amongst us. This is genuine democracy and true Canadianism.

I may say I was much impressed with the speech made the other evening by the hon. member for Vegreville. He demonstrated to the house the fine motives which actuate these new Canadians in coming to make homes in our land. These new Canadians are very grateful to the minister for the sympathetic consideration he has given to their submissions placed before him from time to time. Nevertheless, like all people who desire new immigrants for this country, they do not receive all they seek from time to time, and they have thoughts they wish put forward in the house as to how the immigration laws of Canada can be improved.

Naturally the problem of immigration brings forward extreme points of view. I was not in the house when the hon. member for Spadina made his speech, but from reading *Hansard* I gather he made a rather sweeping indictment of the government on the subject of its immigration policy generally. From reading that speech it seems to me the hon. member for Spadina was saying that the government had no policy or, in the alternative, that what policy it had was an echo of oft-repeated principles devoid of substance.

With this view I cannot agree. I go back to the policy of the government as stated by the former prime minister; and I say that policy, enunciated in May, 1947, in my opinion remains the soundest policy for Canada. Let us examine it as I summarize it under three heads. The first point of the policy was and is that the government does not seek to alter the fundamental ethnic character of Canada. Right-thinking Canadians agree with this, and I believe the majority of the people throughout Canada approve this principle. The second point of the policy is that immigration shall be related to the absorptive capacity of Canada. Who will disagree with this fundamental point, which I believe has the approval of our people generally? The final major point of the immigration policy of our government is that there shall be selection of immigrants with care, to the end that those we bring here to share our freedom and our political institutions shall be loyal to the spirit of freedom and to those institutions in Canada.

Having in mind this policy, Mr. Chairman, it seems to me the day for mass immigration has gone, if ever there was one. Those words "mass immigration" form an ominous phrase with an ominous connotation. Visualize, if you will, hundreds of thousands of immigrants coming to our country from the four corners of the earth. They descend upon our cities, towns and villages. Let us assume they are unprepared for gainful employment and absorption into the life of Canada; they may even be unfamiliar with our skills. If they come in too great numbers we can be sure they will have no practical means of livelihood in Canada. Care must be exercised. Is it any wonder, then, that organized labour has placed on record its view that there shall not be mass immigration into Canada but that in effect there should be selective immigration. We do not want to undermine the labour unions. We do not want to bring such a great number of immigrants to this country that their labour may be used as a means of depressing wages. Immigrants are brought to this country to build Canada and bring new skills, to the end that there may be production of new wealth. Let us take this view of immigration and we will be on sound ground. Let us stimulate the production of consumer goods; we will have nothing to fear if our immigration policy is designed toward this end.

The policy I have stated has been applied to a preferred group in a very careful manner. We have given preference to those of English, Irish, Scottish, French and American origin; and I do not think anyone in this committee would quarrel with that preference. After all it is the people of the British isles to whom we owe the great ideas of government which prevail in this parliamentary democracy. The French explored the great rivers and vast spaces of this land in the beginning, and in one province we have their civil law. The United States has always been a great factor in the economic life of this country, and we welcome people from that country if they choose to come here. We do not labour this point, because it is obvious.

On the other hand there has been a more restricted outlook as to the people of other countries; but I do not blame the government because within the last few years immigration has fallen off. Other factors have been responsible for this, and over these factors the government has had no control. I mention that in western Europe an export ban has been in effect on capital, which has had much to do with the falling off of immigration into Canada. I say, too, that we must not blame the government for refusing to go headlong into some over-expanded program of subsidies for transportation costs, loans against frozen assets and other financial assistance to aid immigration. I take it the departmental officials have kept in mind that about twenty years ago we had what was known as the British empire settlement scheme. Mark you, I am not an expert, but from what I am told that scheme was not so successful as to invite repetition in this year of 1950.

I do not criticize the policy of the government, but I say that its application can be extended at this time, and in that connection I have a few suggestions to put forward. Let us have more immigration agreements with countries abroad. Through such agreements we can regulate gainful employment here for the immigrants who may come, and we can seek some financial assistance from the countries abroad. An example of this is the Dutch agricultural scheme, which has worked very well in bringing Dutch farmers to Canada. Is it not possible for us to implement agreements of this kind with countries such as Great Britain, Ireland, Scotland, France, Switzerland and, let us say, the Scandinavian countries? Perhaps we cannot negotiate such an agreement with the United States, but by other means we can stimulate immigration from that country if we go about it in the logical way.

In the end, therefore, those countries not mentioned in my remarks up to this point remain to be considered. What are we going to do there? Many of them are behind the iron curtain, and in those cases immigration becomes very difficult. Many of them have displaced citizens in those countries of western Europe I have mentioned. In my view we must look to the regulations. Let us consider, and let the minister through his officials consider, the abolition of what I call rigid, artificial, inflexible rules. There is the country of origin rule, which in effect blocks out whole groups of worthy immigrants. There is the degree of relationship rule; many people are not near enough in degree of relationship to those who sponsor them. Can we not do something about altering this rule? Let me sum it up in this way. Let us judge the value of each immigration application on its merits, through some administrative tribunal within the department, and let us have an honest evaluation of the merits without artificial regulations hindering immigration.

Finally I wish to say a word about what I call selection. That is important to all of us, because we know that the matter of security is paramount to Canadians. We do not want to bring immigrants here to build up the economic side, if they be the wrong type from the standpoint of security and undermine us on the political side. We have to allow for human error, and human error will prevail to a certain extent. Let us, Mr. Chairman, make our regulations in such a way that there will be security screening, just as strictly as possible, from the standpoint of keeping communists from immigrating to Canada.

I speak with confidence as I stand here today to conclude my remarks. My confidence is all the greater because of the minister who occupies the post of citizenship and immigration. He is known to us as a lawyer, as well as a soldier of distinction. It was a personal loss to the Prime Minister when he placed him in this post so important to the government of the day. As parliamentary assistant to the Prime Minister he served with distinction, and we know that his talents will be well employed in this important field. Just as he served before the bar of international public opinion, he will serve at home and solve these problems which we are considering. May I say to him that, as he is a great Liberal, let him liberalize these immigration regulations in accordance with his personal qualifications. The result will be a good one, I think; immigration with justice and moderation.

Mr. Fulton: Mr. Chairman, I think it is significant that so far in the discussion of the estimates of the Minister of Citizenship and Immigration, practically every speech made has dealt with the subject of immigration rather than the other matters falling under the jurisdiction of the same department. It seems to me that indicates there is the greatest concern on the part of the members of the house, as well as throughout the country generally, about this important subject. That is not to say that the others are less important, but it is difficult to imagine any subject where there is more potential good for the country than in a properly applied and vigorously pursued policy of immigration.

It is also significant to note that, although there have been two or three statements from the government side of the house, practically every speech made has been, to a greater

or less degree, critical of the policy of the government, and more particularly of the application of that policy. While I should like to say that I agree with the member for Rosedale in the soundness of those parts of his remarks applying to the necessity for maintaining adequate security precautions in connection with our immigration, in connection with not disturbing the ethnic balance of our present distribution of population, I cannot agree with him that the application and pursuit of the policy of immigration by the government has been so successful as to deserve any commendation whatever. I join rather with those who, while realizing the difficulty of this problem, nevertheless feel that the steps taken so far are disappointing, and that this house should leave no doubt in the mind of the government during the discussion of these estimates that it feels we have been sadly lacking and must do better in the future.

In studying this question of immigration, it is quite significant to find that there are comparatively few books or papers or treatises on the subject of immigration as a whole, particularly as applied to Canada. I should like to bring to the attention of the members of the committee one of the few available reports or studies. It is a study instituted in the province of Saskatchewan in 1930, and the findings are contained in the report of the Saskatchewan royal commission on immigration and settlement presented to the government of Saskatchewan in 1930. I am not going to devote any time to a lengthy analysis of its recommendations, but I should like to lay before this committee some of the considerations discussed in that report, as well as some general considerations which I propose to make the basis of a motion I intend to bring before this committee.

One of the first recommendations made, and which seems to me has application at the present time, is that any scheme of immigration must be worked out in conjunction with the provinces because it is to the various provinces of this country that the immigrants will go. It is under the jurisdiction of the provincial governments, and through close contact with the people in the welfare fields, that the new settlers will be raised. I think that no time should be lost in convening a group to study that problem alone. I do not believe it is sufficient to say we are having a dominion-provincial conference this fall. I believe that conference is to be concerned with entirely different matters. It is essential that a conference should be convened to study this matter; and, to start with, a meeting of the departmental officials of the various governments who would be concerned should be held. There should be a meeting of the officials from the provincial departments of lands and resources with their opposite numbers in the federal government, to work out at the official level a basis for a joint program or a joint submission to the joint governments for an immigration scheme.

Then other considerations follow with respect to the importance of immigration generally, and the reason why we must set about bringing into Canada a substantial number of immigrants. The various considerations laid out in the study to which I have referred are still of the most urgent and practical application, even though the report was made twenty years ago. Certain other considerations have arisen since. One of the most compelling is the need of national defence. An area which is as large as or larger than the continental United States, an area which would undoubtedly be the prize possession of any other country, is not capable of being defended by a nation of only thirteen million or fourteen million people. While we are fortunate in being assisted in defence schemes by the United States of America, and in being able to rely upon them to assist us in the joint defence of the North American continent, I do not believe any hon. member will think we can escape our responsibility for the defence of this part of the North American continent, this Canada of ours. I doubt if any hon. member would disagree with me if I were to say that in the world of today, Canada almost certainly cannot herself defend her territory. It would be shirking our responsibility if we failed to face the fact that, without a substantial increase in our population, we will not be able to discharge our primary responsibility in that regard.

Then there is the consideration concerning the importance of one of the principles found in population studies over the years, population and economic studies, to the effect that it is necessary for the population of a country to reach a certain level numerically in order for the country to be able to maintain its high standard of living. It must be admitted that, so far as my study went and so far as the report of this commission went, there are no figures available for Canada. Nobody has yet worked out the actual optimum population level for this country. But I feel again that no hon. member will disagree with me when I say that it is certainly questionable—in fact, I think it is almost impossible—to expect that we should continue much longer to be able to sustain the standard of living which we now enjoy, and which we properly expect, with a population of only thirteen million people and with budgets at the present time running at a level of two and a half billion dollars and quite conceivably growing to three billion dollars in the immediate future, particularly as

defence requirements and social security and similar commitments grow, as the government undertakes further responsibilities.

With a static or virtually static population of only thirteen million people, with the tremendous problems which this country imposes on us with respect to communication, with respect to the development of resources, by its very area and the very size and difficulty of the terrain, it is almost impossible to expect that, in a world of increasing standards and of increasing requirements, we should be able to maintain the present standard of living let alone raise it, unless we increase our population and therefore considerably expand our productive capacity.

Then also there is the question of the loss of population which occurs through the economic attraction of other areas. It has been alleged in the past, and I think it has been established—although the figures vary—that we suffer a substantial loss of population from year to year by the attraction of the generally higher standards of income enjoyed in the United States. Hence, in considering the question of increase in population, we have to reckon not only with the fact that, by the normal increase involved in our excess of births over deaths, not only would our increase be slow on that account, but the increase itself is made less speedy by the fact that we lose each year a certain number to the United States.

In considering this and other factors, the Saskatchewan commission came to a conclusion which I think is sufficiently important to be read in its own original words at this point. As reported at page 18, they said:

> For these reasons we conclude that it is desirable that no unnecessary checks be placed on population increase by immigration.

They go on to deal with the fact that certain checks are necessary, but they come back to their original contention that no unnecessary checks should be placed on population increase by immigration.

I should now like to turn to one other aspect of this matter, and that is our particular relationship with Great Britain and with the British commonwealth. I have said that I agree with the hon. member for Rosedale that it is important that the ethnic balance of population in Canada be not disturbed or distorted by any over-enthusiastic policy of immigration. Our traditional connection with the United Kingdom, together with the present situation of the United Kingdom, seemed to me to indicate that we should make a special effort to obtain suitable immigrants from that country. I shall have something to say in a moment about the necessity of obtaining immigrants from other countries, a matter which I think is equally important, but I wish to deal specially with the question of British immigration.

I believe that one should approach this matter without a limited horizon. One should remember what has taken place over the last couple of hundred years in connection with the concept of the British commonwealth and the relations that those countries bear one to another. One should remember that Great Britain has not only exported standards of living and sent people to every part of the world, but has also exported the great idea embodied in what we call British justice and the rule of law. Then it seems to me that we should devote at least some thought and some part of our ideas and aspirations towards preserving that concept and preserving a continuity of that relationship. But no country and no group of countries can stand in the face of history or of development. History is that the centre of influence, the centre of population, or the centre of power shifts. I believe that fact has to be accepted and realized by all countries in the British commonwealth if we are to maintain intact, and to preserve from undue stresses and strains, that friendly relationship which we have had in the past.

I should like to see that relationship as close as or closer than it has ever been. My concept is of no change in our affection for or attitude towards one another but simply a recognition of, and acceptance of, and indeed an assistance to, the course of history in shifting the centre of the British commonwealth from the United Kingdom to the various member nations of that commonwealth.

I believe that Canada's resources, potentialities and political maturity all have such an important bearing on this matter that, viewed in their proper light, we can without exaggerating look forward confidently to the day when we shall be the centre of the commonwealth, the centre of a tremendous group of world powers. That involves a readiness on our part to accept, and admittedly a readiness on the part of the United Kingdom to permit, a considerable flow of emigration from the British isles to this country.

I think that perhaps it would be well if we could have with the British authorities that consultation which the hon. member for Rosedale referred to, from that point of view, and say: Do not stand in the way of history; do not place impediments in the way of free movements of people as you are doing now by restricting the people from the United Kingdom in their coming over here; do not

place those impediments in the way of the free movement of people because, if you do, you are standing in the way of history.

I do not want to overdevelop this thought. What I have in mind is this. Surely it is no longer logical for us and for other countries to continue to export raw materials and food over thousands of miles to places where they may be manufactured and re-exported back here. Surely it is much more logical, and surely it is the proper course of history and development, to see that people come to where the raw materials and the food are, bringing with them their industrial know-how, and the same traditions and ideals which we share and which, in fact, have inspired the growth of the commonwealth. The movement of population from the United Kingdom to Canada, under that concept, would be part of a logical, natural process; part of the growth and the preservation of that commonwealth which we value so much. But just as we say to the United Kingdom, you must not place impediments in the way of the free movement of people, so must we also be prepared to encourage and to assist in the movement of people from the United Kingdom and other countries to this country. I cannot be satisfied that we have made every effort to assist in British immigration. I myself have letters, I have discussed the matter with other members and with other individuals in Canada who have spoken to people with similar experiences; that is, experiences of difficulties when they applied to Canadian authorities in the United Kingdom, difficulties placed in their way, or at least a lack of all-out enthusiasm, help and assistance in ironing out the difficulties which stand in the way of those people coming into this country. I believe that Canada could do much more to assist immigrants from the United Kingdom. I believe that Canada must do much more to assist that immigration.

Before I leave this general idea that I have been dealing with may I say I think it significant that this Department of Citizenship and Immigration follows almost immediately the estimates of the Department of Agriculture. In the last day and a half of the discussion of that department we were dealing with the difficulty of marketing Canada's tremendous agricultural production. I have said already it seems illogical to ship our raw materials and raw food thousands of miles, have them manufactured, and then shipped back again. How much more logical it would be to have the people come to where the food and raw materials are. That should be one of the conscious thoughts behind the immigration policy; that the long range solution of our agricultural problems—while we may adopt floor prices, support programs and programs of encouraging or discouraging this or that aspect of agricultural production, which are necessary so long as we have such an imbalance in our economy—rests upon bringing more people to this country to consume the food that we produce.

I have found, too, that very few studies are made of the number of people that would be necessary to produce a balance in our economy in that respect. But I did hear one very eminent authority discussing this matter, Dean Clement of the department of agriculture of the university of British Columbia, who has since retired, say that his estimate was that if we would bring to Canada, or if our population were increased by, five million people we would have a practically balanced economy, from the point of view of there being sufficient people in Canada to consume the things which we produce with the exception of one crop, namely, wheat. With respect to apples, pork, beef, and almost every other agricultural commodity that you could name, with the exception of wheat, it was this expert's calculation that an increase in our population of five million would practically solve that problem of the imbalance, of our dependence upon the export market.

These, Mr. Chairman, have been pretty general considerations on a general subject on which, as a matter of fact, there is general agreement, namely, the necessity for a conscious and an active immigration policy in so far as this country is concerned.

What I want to turn to is some of the shortcomings in our policy. I regret very much that what I have to say should be said at a time when a new minister is occupying the position of Minister of Citizenship and Immigration, because no member of the house, be he a new member or one with the longest experience here, cares to make a sharp criticism of a new minister. Therefore I ask the minister if he will—and I am sure he will—regard this simply as a criticism of government policy and in no way arising simply because he is new to the office.

Mr. Fraser: He will get it next year.

Mr. Knowles: After all, he is in the government now.

Mr. Fulton: The figures with which I have been furnished indicate a very disturbing and sharp decline in the flow of immigrants to this country over the past two and a half years. We all thought, after the Prime Minister made his statement on government policy on May 1, 1947, that we could expect to see, if not in the year, at least within the

next year and the year after a constant and steady increase in the flow of immigration until finally it reached quite sizeable proportions. These expectations have not been realized. We remember the interest—and I think I would not be going too far if I said the enthusiasm—with which the statement of May 1, 1947, was received. I well remember the headlines in the press across this country, hailing this great new immigration policy, as it was called.

My main criticism of it is that while the principles laid down are sound enough, not only have they not been applied, not only have no positive steps been taken to apply the principles, indeed nothing was said at the time to indicate how they would be applied, and nothing has happened since to indicate that there is any serious intention of applying them and of bringing in the large, increased and increasing number of immigrants which was then forecast.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Fulton: Before six o'clock I was outlining some of the general considerations which should apply to any immigration program we might adopt and indicated the necessity of taking active steps to increase Canada's population by immigration. I should like to turn now to some of the shortcomings in government policy and particularly to the failure of the government to take steps to implement the immigration policy which it has laid down. It is convenient at this time to refer to a statement made by the Prime Minister on May 1, 1947, and which gave rise to such hopes that we would in fact have an immigration policy for Canada productive of results. These hopes have totally failed to materialize. The Prime Minister is reported on page 2644 of *Hansard* of May 1, 1947, as having said:

> The policy of the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation, and vigorous administration, to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy.

The figures on immigration which we have obtained since that time indicate that the policy has failed totally of implementation. I do not recall any legislation that has been introduced which is of far-reaching moment in regard to this matter. With regard to regulation, it was pointed out by one of the members of the government party speaking this afternoon that the main effect of the regulations seems to be to restrict rather than to encourage immigration. With regard to vigorous administration, figures which I shall quote in a moment show that the main effect has been that while the inflow of immigrants has declined by some fifty per cent, the cost of administration has increased by some twenty-five per cent.

The Prime Minister then went on to outline the short-term program and the long-term program of the government. The short-term program was related to the situation as of May 1, 1947, when, as he pointed out, we were confronted with a serious shortage of shipping and, therefore, it would not be possible to bring large numbers of immigrants to Canada. But with respect to the government's so-called long-term program the Prime Minister laid down basic principles which are to be found on page 2645 of *Hansard* as follows:

> Let me now speak of the government's long-term program. It is based on the conviction that Canada needs population. The government is strongly of the view that our immigration policy should be devised in a positive sense, with the definite objective, as I have already stated, of enlarging the population of the country. This it will seek to attain through the development and energetic application of productive immigration measures.

Then a few sentences later on:

> Apart from all else, in a world of shrinking distances and international insecurity, we cannot ignore the danger that lies in a small population attempting to hold so great a heritage as ours.

Before I give the actual figures of our present immigration I should like to refer to a speech made in Ottawa on Saturday, May 27 last, by the present minister. Remember that we have a country with a larger land area than the continental United States and with a population of only 14 million people. At one time this country absorbed between 500,000 and 1 million people a year. There were certain disadvantages that accrued during that heavy inflow of population but I submit that their causes have largely disappeared with our reaching a relatively high degree of development in the present populated areas of Canada and with our high degree of industrialization.

Speaking in this city on Saturday, May 27, the Minister of Citizenship and Immigration said that in the view of the authorities at the moment Canada would be capable of absorbing a population which on a certain mathematical calculation turns out to be 140,000 a year by way of immigration. I submit that that is much too low a target for our immigration policy under the circumstances in which we find ourselves. Yet that is the only indication we have had as to what the

government thinks should be absorbed and even that target, if it be a target, is far in excess of the number that are being brought in today.

I have spoken already of the desirability of a large flow of immigration from the British isles, and I should like to refer to some of the other countries from which we should receive immigrants. At the present time the inflow of immigrants from continental Europe is seriously restricted by the regulations. I know that one cannot go too far in relaxing regulations against those who were our enemies five years ago, but I maintain that the interpretation of the regulations is far too restrictive, and so is the classification of enemy aliens.

We all know that there has been a tremendous upheaval on the continent of Europe. People whose only offence is that they happened to live in countries which were overrun by the nazis and were caught up in that turmoil and swept into Germany or into countries which had been overrun by Germany are now classified as enemy aliens, and are now excluded, except those who are in a very limited category with regard to relationship to Canadian residents. In many cases they are the relatives of people who are most admirable citizens, people who came here with very little and who have built up a livelihood for themselves and a stake in this country, people who are now prosperous and substantial citizens in the best sense of that word. Yet their relatives are prohibited by the regulations from coming in at the present time. This is a matter on which positive action by the government is required to relax those restrictions and allow these desirable settlers to enter the country.

What is the government going to do to encourage immigration from the United Kingdom? As far as one can make out, virtually nothing has been done up to the present. We are told that the currency restrictions stand in the way. What we need is a bold approach to this matter. The government should be prepared to adopt means by which we could offer to prospective immigrants from the United Kingdom an extension of currency privileges in this country based upon the security of assets guaranteed by the United Kingdom government. Without something along these lines, so long as the artificial restriction of currency barriers continues we will prevent people from coming here because they cannot get the funds out to this country from the British isles. I ask the minister to tell us what discussions have taken place on that point, what is the intention of the government in that regard, and what representations or offers they have put forward to the British government in that respect.

Finally I want to come to the question of the figures of present-day immigration. In answer to a question which I asked, information was given, as recorded at page 1902 of *Hansard*, that the average monthly number of immigrants entering Canada from Europe, including the United Kingdom, for the calendar year 1948 was 9,352. In 1949 it was 6,966, and in the first three months of this year it has fallen to 4,823. So that our flow of immigration from the continent of Europe, including the United Kingdom, has fallen by 50 per cent since 1948. If you look at the estimates, Mr. Chairman, you will find that during the same period the cost of the domestic administration of the Immigration Act has risen by 25 per cent. For the year 1948-49 the domestic cost was $3,403,000; for 1949-50, $4,191,000; and for 1950-51, $4,482,000, an increase of $1,079,000, or 25 per cent during the period in which our intake of immigrants was falling by 50 per cent.

That is the outcome of the government statement which was so widely hailed on May 1, 1947, that we were to embark upon a policy of fostering immigration by legislation, regulation and vigorous administration. The only result is a 50 per cent decline in the intake and a 25 per cent increase in the domestic cost. It is true, and no doubt the minister will point out, that the cost of overseas administration has declined. I suggest that if we are going to have a policy of immigration, overseas is the very place where we should be spending more money in order to assist immigrants to establish their nationality and to assist them to solve their transportation and currency difficulties. That is one place where an increase in expenditure would be justified, but I submit that an increase in expenditure as to domestic costs is entirely unjustified during a period when our intake from overseas has been declining by 50 per cent.

I am quite sure you will agree with me when I say that I have probably detained the committee long enough, but in view of the matters which I have laid before the chamber, and particularly the facts to which I have just referred, I think I am justified in moving a motion by way of censure. Unfortunately under our system the salary of the minister is statutory and cannot be reduced by a motion of the house. I am not saying that when we get to the details there will not be other matters which could be attacked and where specific reductions might be moved. We do not in any way bind our hands in respect to their reduction, but at

the present time and simply in order to register a protest against the inadequacy of the present policy of immigration I will confine my attention to item 48, departmental administration, and I move:

That item No. 48 amounting to $90,620 be reduced by one dollar.

The Acting Chairman (Mr. Lesage): Before I put the motion I must say that I find the following in Beauchesne, third edition, citation 484:

Amendments moved for the reduction of a grant are proceeded with under the general rules governing amendments.

Further on in the same citation there is the following:

The reduction must be of a substantial and not trifling amount . . .

In legal language, if we were in court I would be bound to say that it is a frivolous motion. I find the same principle enunciated in May, fourteenth edition, at page 698:

The reduction of a grant or item must be of a substantial, and not of a trifling amount.

Therefore I rule the motion out of order.

Mr. Fulton: Mr Chairman, if you say your ruling is final then you will not hear further argument, but I should like to raise a point of order in the hope that you will reconsider it. May I point out that Beauchesne's rules—

Some hon. Members: No.

The Acting Chairman (Mr. Lesage): Order.

Mr. Fulton: —are subject to the ordinary rules of interpretation. The amount of $1 is not a trifling amount because, as you will appreciate, whereas a cent or a farthing would be a mere token, when we are dealing in terms of the opportunities afforded to members to register a protest by way of moving reductions in the estimates, and particularly on the first item a reduction of $1 cannot be regarded as a trifling amount. I make that suggestion for this reason. Consider the situation if we had to reduce—

The Acting Chairman (Mr. Lesage): Order. I do not believe that I can entertain the argument of the hon. member. The chairman has made his ruling and has considered it very carefully. As to the practice in England, I find in May, fourteenth edition, that a chairman has declined to put the question on a reduction of five pounds, which is now about $15 in our currency. The ruling must stand because I cannot consider one dollar a substantial amount.

Mr. Winkler: Mr. Chairman, I intend to speak only briefly on this subject. When speaking before six o'clock the hon. member for Rosedale referred to the factors which govern the immigration policy, and he urged that the basis be broadened. The hon. member for Kamloops also referred to the need for encouragement of an increase in British immigration. With both these arguments I am in complete accord.

What I should like to refer to is a rather narrow feature of the whole matter. In so doing I should like to deal with a few of the factors mentioned by the hon. member for Rosedale. He referred, for instance, to health as being a governing factor, and said that there could be no quarrel with the government for insisting that all immigrants have good health. Of course that is a matter for the medical services to determine. He also mentioned absorptive capacity. I might mention as an illustration the workers brought in a few years ago for the pulp and paper industry. Rural members from Ontario, Manitoba and other western points will recall that some years ago sufficient workmen could not be found for the lumber camps. Recruiting went on to get every farmer's son who could be spared for that work, and at the same time a drive developed to bring in displaced persons as immigrants for work in the woods. Now, within the last year or so, our absorptive capacity for these immigrants has been reached, and there has been no further need for a policy which would encourage the immigration of workers for the lumber camps and pulp and paper mills.

I propose to deal briefly now with a very narrow phase of immigration which would not conflict with either of the two factors I have singled out. I want to suggest one kind of immigration which I believe has been greatly neglected; that is, immigrants to go into domestic service in this country. I would not care where those people might be recruited from, whether it be Great Britain, France, Holland, Belgium, Denmark, Germany, Italy or any other suitable European country; I am sure all hon. members will agree that there is a great shortage of domestic servants in this country. That being so, no one could object to their entry on the ground that our absorptive capacity was not great enough to take care of them. They are needed badly. I know that figures are rather dull, but in this connection I want to quote a few. At page 3029 of *Hansard* answers were given to questions I had placed on the order paper as to the number of displaced persons brought to Canada in 1947, 1948, 1949 and up to April of 1950. These figures indicate that 10,000 displaced persons came to Canada in that period of time and accepted employment as domestic servants for at least a year. The answer to my next question, on the same page, shows that the number employed in domestic service has dwindled rapidly from 1931 down to the present time. According to

this answer, the number of people so employed in 1931 was 146,000. By June 1, 1948, that figure had dropped to almost half, or 74,000. About that time there was a slight increase, which I believe could be largely explained by an answer given to another question I asked having to do with the percentage of the population employed in domestic service. In 1931 that figure was 1·4 per cent. By 1947 it had fallen to 0·4 per cent, but the following year there was an increase to 0·6 per cent. In other words if we take the 7,200 displaced persons who came to Canada in 1947 and 1948 and undertook domestic service for a period of one year, I believe it would be fair to assume that the small increase of 0·2 per cent could be attributed almost entirely to that immigration. On that basis it would take about 28,000 domestics to make up the percentage deficiency today as compared with 1931.

I do not suggest that my argument is air-tight, nevertheless I think in the main it is sound. So I suggest that the department give some consideration to the decrease in the number of domestic servants in Canada, and the possibility of making up that deficiency through immigration. I heartily agree with what the hon. member for Kamloops said about British immigration, but I doubt very much whether our domestic servant situation could be very much improved in that way, because I understand that in Britain they find it just as difficult to get domestic servants as we do. I believe the same condition prevails in France, where I read recently over seventy thousand Germans are doing essential work under the supervision of the French government. We have been getting a large number of immigrants from Holland, and they are very suitable, as are the Belgians, the Danes and others.

Now I should like to mention two other sources; that is, Germany and Italy. Although, as has been pointed out, they were recently enemy countries, nevertheless they possess a great reservoir of people who would be suitable for domestic service. I know from experience that girls and women in those countries are thoroughly trained as workers, and make good domestics not only in the city but also on the farms. I should point out that female help for the farms is a very serious problem with many people in Canada. It is almost impossible to get domestic servants to work on the farms. These people, I believe, could be obtained if a determined effort were made to get them. I am sure the reservoir is there, and the benefit that would accrue to this country if they could be brought here could hardly be measured. Therefore I would urge that the government give consideration to some method by which domestic servants from suitable European countries might be brought to Canada to relieve the great need, in fact the real distress, that is being felt in many parts of the country.

Mr. MacKenzie: I should like to make a few observations while this subject is under consideration. I believe everyone in Canada was well pleased when the government decided to create the Department of Citizenship and Immigration. I am also satisfied that the people generally, and not only government supporters, were pleased when the present minister was chosen for this portfolio. We all agree that citizenship and immigration are of vital importance to the development and progress of our Canadian people. I am sure that it is a subject that requires careful study, because it is so vital to Canada. I am sure that in due time a vigorous, strong, and aggressive immigration policy will be announced for this dominion of ours. Most Canadians agree that we should have more immigrants in this country. Most people also agree that the number should be controlled, carefully screened and selected. Everyone agrees that we could not throw the borders of Canada open to mass immigration, because we could easily take in more people than we could assimilate. It is a well-known fact that when an enemy invaded China, the Chinese people soon assimilated the invader and they were all Chinese again. I believe it is vital that we have a studied immigration policy announced, and it should be fairly selective.

We only have a population of approximately fourteen million people. In view of the past records of our Canadian immigration policy, the number of immigrants should be arrived at by the departmental officials. I would say that from 100,000 to 200,000 would be a fair number at the start. Preference should be given to certain localities and certain races. We all agree that the British isles, France, and the United States should be considered, even if we have to subsidize those people to come here. We could help them with transportation and help them to settle. It might be worth while in the long run. I think we should bring in people who have, to some extent, the same ideals that we have; the same conception of a standard of living. In the riding which I have the honour to represent, Lambton-Kent, we have many representatives of the various races. In the early settlements there were Dutch, Belgians, Danish, and Ukrainian. These people settled in the Wallaceburg-Dresden area where they have raised certain special crops. They grow sugar beets and tobacco, and have made a great contribution to our welfare. Later other Europeans came in from Czechoslovakia, Yugoslavia, and Poland,

and they have developed our country in a very good manner. I must say that, in my opinion, some of these people are among the very best citizens we have. They are loyal and patriotic.

Only last Sunday some of the people from the section south of my own home came to see me. They wanted to put on a big picnic in order to do something for the relief of the flood victims in Manitoba. The proceeds from this monster picnic will go to the flood victims. This is only an example of what happens all the time, so I say without any hesitation that these people who have come here have become exceptionally good citizens. I must say, and I think everyone will agree, that there is no master race in this world. There are good and bad in all races. I must confess that the United Nations organization with which I was for over two years found some of our own people, as well as people from other races, that were certainly not a credit to the organization. We cannot say that the ones who have been established here have not become good citizens.

I want to say a word or two in connection with the displaced persons, because we had a lot to do with trying to get people back to their homeland and placed in some situation where they could rehabilitate themselves. The UNRRA organization carried on a program of helping displaced persons until late in 1947, when that duty was taken over by the IRO. Among the various classes of displaced persons, the one that appealed to me particularly was the Russian. We knew them very well because, in many cases, we had them keeping our books and looking after our warehouses and supplies. They were people who had fled Russia in 1917 at the time of the revolution. They came to China, but did not want to take out citizenship papers in the Orient. They could not go back to their homeland. Late in 1947 an announcement was made that if these people went back to Russia they would be forgiven and full citizenship would be restored under the present regime. They would not take a chance on that. I remember one of the chaps particularly, who kept the records of our department, and he did want to go to Canada or some place like that. I believe these people are entitled to a great deal of consideration.

There is one more matter I should like to take up briefly. One of the problems that repeatedly faced me in China was that the Chinese people would say, "We like Canada pretty well, but Canada has always discriminated against our race." I said I did not think that could be correct, but they went on to tell me how they had been discriminated against. I looked up some of the data on immigration into this country, and this is what I found out from the immigration department: From 1880 to 1890 many Chinese were brought into Canada as labourers for railway construction and other development work. From 1890 to 1900 some control of immigration was maintained by charging the Chinese $50 per head. This did not retard immigration, and in 1910 the head tax was raised to $500 each. That was continued until 1923 when the head tax was repealed, and an act was brought in called the Chinese Immigration Act. It became law, so it was impossible from 1923 on for any Chinese to come to this country, unless they came with shipping companies in the regular course of trade and commerce or came here as students attending university. This was the only immigration legislation that was ever enacted in Canada which applied to a particular race.

I well remember in 1947 when the announcement was headlined in the Chinese papers, both those printed in English and those printed in Chinese, that Canada had at last relaxed her immigration regulations and was allowing Chinese to enter. Upon making inquiries of the Canadian consul, I found it was not so great a step as had been reported, because all that had been done was to repeal the Chinese Immigration Act and put the Chinese on the same status as other Asiatics. Now the Chinese who have become Canadian citizens can bring in their wives and unmarried children up to the age of eighteen. From 1923 to 1947, or approximately twenty-five years, practically none of them came to this country. Very few Chinese had taken out citizenship papers. No purpose was served by taking them out, because a Chinese person could not go back and forward; so for the moment this relaxation did not do them very much good. Something else that was brought to my attention indirectly is that during all those years, from 1923 to 1947, the Japanese were allowed entry into Canada on an agreed or quota basis. In many cases they were admitted on the basis of up to 400 or 500 a year. This of course looked like discrimination. In view of the former discrimination against these people, I would suggest to the minister, as a good will gesture, that he at least allow the Chinese to bring their wives and unmarried children into Canada regardless of their age.

Mr. Graydon: Will the Reds let them out now?

Mr. MacKenzie: This would not be a large number. It would be only a comparatively small number that would be affected.

May I say that I had to go to a foreign land before I fully realized what Canadian citizenship meant and what Canada should mean to the people here. I was asked many times what state I came from and when I said that I came from Canada, without hesitation and without any variation at all, these people all said that they would like to come to Canada, that they knew of no place in the world they would rather go. I think I said before and I say again that I do not believe there is any country in the world that stands in as high regard among the nations of the world as does Canada today. If we threw the regulations open we would have such a mass immigration here, if currency could be provided—and currency difficulties will clear away—that we could not possibly assimilate the immigrants. In my opinion most countries of the world appreciate Canada and what Canada has to offer more than do Canadians themselves. I would suggest to the minister that the policy we adopt for immigration into Canada must be a selective one. It must be carefully screened if we are going to maintain the high standards that we expect will be in effect in Canada in the years to come.

Mr. Herridge: Because of the interest of a good number of my constituents in the question of immigration and citizenship, Mr. Chairman, I want to make a few remarks under this item, and I hope the committee will be tolerant of me. I see some of the Liberals opposite regarding me with a rather strained look on their faces, but I want them to be tolerant.

An hon. Member: We like to hear you.

Mr. Herridge: First of all, Mr. Chairman, I must say that I heartily approve of the formation and the structure of this new Department of Citizenship and Immigration. I think it is one of the most logical moves the government has made with respect to organizing a department. Immigration, citizenship and Indian affairs are all branches that deal with human resources and I think this reorganization will mean more effective immigration, better administration of citizenship and, I hope, more for the Indians of Canada.

Before proceeding I must extend sincere congratulations to the minister on his appointment to this important office. I am quite sure that any new immigrant landing on the shores of Canada, if met by the Minister of Citizenship and Immigration, would say: This must be a fine country; there are some good-looking chaps ahead of us.

The minister has youth, but with that youth he has a considerable amount of civil, military and legal experience; and many of us in this chamber are looking forward to a vigorous immigration policy and a more vigorous training in citizenship throughout the country. I shall have a few remarks to make on citizenship at some other time because there happen to be in my constituency quite a number of people who have not become Canadian citizens in the full sense of the word; but I will speak on that question on other estimates.

Before proceeding, I must express my personal appreciation of the work that the officials of the minister's department have been doing. It is work that is not spectacular and it is not seen; but I am quite sure that during the last five years the officials of the immigration department have had a heavy task on their hands in trying to sift and sort the multitudes that were being brought to Canada and to satisfy the needs of Canadians generally. It is my personal opinion that the officials of this department during the last five years have performed an excellent service under most trying conditions.

I want to criticize to some extent the lack of policy with respect to immigration on the part of the government; and as a previous speaker said, in doing that I am not criticizing the minister because he has only recently taken over this new department. As far as I can understand from the speeches that have been given on this item, it appears that the majority of the members of this committee, whether they are Liberals or members of the opposition, realize that there is not a strong, concrete immigration policy being put forward by this government. I think the hon. member for Spadina and another Liberal speaker mentioned that feature, as well as other speakers on this side. We hope that situation will soon be corrected by the new minister.

I personally do not believe that it is one of those subjects about which you can lay down hard and fast rules. You cannot distribute human beings as you distribute freight, lumber or materials. Dealing with human beings requires a more flexible policy than dealing with natural resources. I do not underestimate the difficulties; they are great; but I think we could have a more concrete, specific and definite policy than we have at the present time. So far I can see, to date our piecemeal policy has been to bring individuals into Canada as individuals and to relax the regulations from time to time without any co-ordination between federal and provincial governments and other agencies, or without any relationship to the over-all economic development of Canada. I think that is the greatest weakness of the immigration policy or lack of policy on the

part of this government to date. I want to illustrate that point by one or two cases that have been brought to my attention in my own constituency. First of all, I might say it is illustrated by the fact that up to the present time this work has been done by two departments. It has been done by the Department of Citizenship and Immigration and by the Department of Labour. I firmly believe that immigration should be confined within the fold of one department. In addition to that, there is no co-operation between the federal government, as I see it, and the provincial governments and the local agencies.

To illustrate that fact, in my constituency a family of d.p.'s was sent from Ontario somewhere. They had been kept in Ontario for some time. They were sent tourist class to my constituency to a farmer—the whole family—at the public expense. They were sent to the city of Nelson, and transported another sixty miles at public expense to the farm. The farm is an excellent farm. The farmer is an excellent farmer. But this family, when they got there, felt lonely. The house provided by the farmer, and it was an excellent house, was a quarter of a mile away from neighbours. After staying for a week or so, this family became discontented and did not want to stay there any longer. There were numerous phone calls by the official in our district or by the Vancouver office to Ottawa. There were numerous telegrams at public expense. Finally it was decided that nothing else could be done but to transport these people back to Nelson at public expense, transport them in a taxi to some point overnight at public expense, buy passages back to Ontario, buy tourist sleeper accommodation back to Ontario for the whole family, and bring them back to Ontario so that the government could start out again to locate this family which was not satisfied. In my opinion that situation would not occur if there were satisfactory co-ordination between the federal and provincial governments, with like co-ordination between the province and local agencies. There is not a local agency to appeal to to deal with these questions or to offer assistance and to find out if employment could have been found at some closer point rather than to incur what to me appeared to be quite a large amount of expense in finding employment for one immigrant to this country. In addition to that, I had brought to my attention one day the fact that on a provincial public works project in the southern interior of British Columbia a large number of displaced persons were employed. I am not blaming these men; they were seeking work, but it shows a lack of understanding, a lack of direction of labour to proper channels. These displaced persons were employed on that public works program by the provincial government of British Columbia while local veterans who fought for this country, who went overseas, who were born in the district, who lived in that district all their lives, could not obtain a job. I am not blaming the displaced persons, but I do say that if there had been co-ordination between the federal and provincial government and local agencies these single, displaced persons who were quite capable of going to a mine or a lumber camp without inconvenience, or to some greater distance than these married veterans, would have been employed at work that was necessary and required, and the veterans also would have been employed.

As far as I can see with respect to our immigration policy, Mr. Chairman, there is not even a minimum objective as to numbers. I think we all realize that in this vast land we have a duty to ourselves to share this land with the people of other countries. We have a moral obligation to those who require opportunities for settlement, opportunities for employment, opportunities to make a new life. I think most Canadians recognize that we benefit from those who come to live in Canada and who become citizens of Canada. We benefit by their labour on our natural resources, and in our industry, by their taking advantage of our transportation services, our highway services and all other services and costs provided by provincial and federal governments.

In my opinion, Mr. Chairman, unless we have a planned immigration policy integrated through our national economic development we are not going to serve the best interests of Canada, or the best interests of the immigrants concerned.

In passing I want to draw the attention of the committee to a few things that have been done by the Commonwealth of Australia. It was my habit, Mr. Chairman, when I proceeded to do something that I had never done before—I think it would be the habit of most ordinary intelligent people, and I am considered normally intelligent by most hon. members; I think at times some hon. members to my left would doubt that, but I do not mind that—it was my habit, I say, to try to find out what others have done, what their experience has been, and so forth. I do want to draw to the attention of the minister certain things that the Australian commonwealth has done, which I think would be well for him and his officials to study: they with a population of 8 million and we with a population of 13 million. I am just going to give some figures before proceeding with that. These

are immigration figures for the year 1949: Net immigration to Canada, 95,217; net immigration to Australia, 168,527. There were 200,000 British immigrants in 1949 to commonwealth countries. Australia absorbed 87,504; Canada, 55,095; South Africa, 39,093; New Zealand, 16,188.

I want to call the minister's attention to this little pamphlet which was issued by the Australian government. I should like him to read it. It is headed: "Twenty million Australians in our Time! Statement of immigration policy by the minister for immigration, the Hon. Arthur A. Calwell, M.H.R., to the House of Representatives, September 8, 1949". This statement lays down the principles upon which immigration is to be carried on in Australia, the need for immigration and how the immigrants are to be brought in and how they are to be distributed and so on. It is a complete policy of information for the people of Australia. I think that this government would be well advised to consider a pamphlet of this sort, the way it is drafted, and so on.

I just want to quote briefly from an immigration policy statement made by the minister for immigration on September 8, 1949, to the Australian parliament. This is what he has to say. I like the definitive nature of the statement. It is not woolly; it is not abstract. It says:

> Most Australians now living should survive to see their country inhabited by twenty million people. May Providence ordain it so. This will indeed be a tremendous accomplishment; it will be population increase on a scale never before attained, and hardly ever dreamed of in our land. It will match, and probably exceed, the great influxes of people that have attended gold rushes and the opening of rich territories in this and other parts of the world in the past. It will be all the more remarkable because it will take place in modern times. The days when immigrants would submit to herding aboard crowded and uncomfortable ships like human cattle are long past. The times are over when new settlers of any desirable kind would take their wives and families far from the comforts and amenities of life and allow their children to grow up without education or opportunities. Nobody could regret the passing of such conditions less than I do, but, of course, the modern necessity to bring immigrants in comfort to new lives of civilized usefulness makes our tasks immeasurably more complex and difficult than they would have been in earlier days.
>
> The social and economic consequences to Australia of this great population drive will be vast. However desirable the immigrants may be, and however eager to welcome them the people of their new country may be, problems of absorption and assimilation can become very serious if there is not wise and careful planning in advance to solve or minimize them. I and my department, in close collaboration with other commonwealth departments, the governments of the states, and private industry, are now devoting an increasing amount of attention to such matters.
>
> For instance, Australia must make a more vigorous approach to the development of regions outside the metropolitan areas.

I might say in that connection, Mr. Chairman, they have had exactly the same experience in Australia as we have had in Canada. We want our immigrants largely to settle our untilled spaces. We do not want to till the cities. Personally, I think the cities are the curse of modern civilization. We want our immigrants to go into the country places. We want them to go into the smaller places; but even in Australia where they have made every effort to distribute population in the rural districts, they have found them drifting back to the cities in greater numbers than they would wish. It seems today as if the modern city were the attraction for the modern human being. I think we find that same situation in Canada. I continue with the quotation:

> Recent censuses have shown that our major increases in population for some time past have been absorbed in the cities. Growth in population has fitted in with the existing patterns of employment and industrial location, and without proper planning an increase of the magnitude now expected would probably swell the already swollen capital cities at the expense of broad national development. We must make the most determined efforts to ensure a better general distribution of population throughout the commonwealth, and this will mean a powerful drive in the direction of decentralization and regional development.

I want to deal briefly with the plans they have laid to stimulate this regional development by bringing in all the agencies possible to work with the federal government. The immigration planning council of the community plans the absorption of migrants into the life of the community. The Commonwealth of Australia includes in its immigration committees representatives of the federal government, representatives of the state governments, representatives of labour, representatives of industry and representatives of other bodies, such as veterans and so on. They have now a system of planning immigration and co-ordinating immigration that enmeshes a wide section of the interested population in the whole scheme, working together in co-operation with governments. I suggest that there is something in that for the government of Canada to consider.

In connection with the necessity for planning I might say that this was a news letter published in Australia March 1, 1950. It coincides exactly with the ideas of the group to which I belong. I ask the minister, if he should reply to any of my remarks this evening, not to refer to me as the acting leader of the C.C.F.

An hon. Member: Why not?

Mr. Herridge: My move forward is strictly a movement in space, not a movement in rank. I want to read this statement dated March 1, 1950.

An hon. Member: Horizontal, not vertical.

Mr. Herridge: Horizontal, not vertical. This reads:

A huge national development scheme is now being prepared involving an expenditure by the federal government and private investors of about $560 million (American) $616 million (Canadian) a year. It includes $112 million (American) $123 million (Canadian) to provide homes and basic communities in rural areas, and other large sums of money for the development of the Callide coal deposits and the Burdekin river hydro-electric and immigration scheme in Queensland. Development Minister Richard G. Casey said the proposals would include the importation of earth-moving equipment from British, American and other companies, and would mean the employment of large numbers of migrants. Overseas firms would be particularly welcome to participate in the program if they were able to provide men and equipment as well as prefabricated homes for their staffs to live in. Mr. Casey warned that the dollar problem might interfere with the program to a certain extent because the United States was the only country which could produce some of the equipment needed. However, steps were being taken to try to obtain machinery from America without spending dollars.

My point in quoting that is to indicate that in Australia they realize that if they are going to have a successful immigration policy, that if they are going to absorb immigrants as they arrive in the country in a systematic manner, they must be brought in in relation to a planned economic development.

Mr. Smith (Calgary West): What date was that?

Mr. Herridge: March 1, 1950.

I should also like to bring to the attention of the minister some of the publications put out by the Australian government. Here is a monthly entitled *The New Australian* which informs the Australian people about what is being done by the new immigrants to Australia. It keeps them informed from month to month as to what is happening so far as the development of the immigration policy is concerned. I recommend that publication, and others that they publish, to the minister for his consideration.

Another interesting item in regard to the immigration policy in Australia is that all new immigrants are known officially as new Australians. There is no question of their being d.p.'s or immigrants of this type or immigrants of that type; the Australian government has appealed officially to the Australian people to consider all immigrants as new Australians. They refer to them in that way in all their literature and pamphlets and regulations.

Reception hostels are set up in co-operation with the state governments where single men may go to live for a period of two or three weeks or a month or so in order to become adjusted to the community or during the period when they are looking for satisfactory work. Assisted passages are provided for veterans emigrating from Great Britain. I should like to see this government provide assisted passages for British veterans who desire to migrate to Canada. We could well emulate the example of Australia in that respect and other types of assisted passages could be provided.

I suggest to the minister that at least early in the next session he present to the house an over-all concrete statement on immigration. I believe that if we are going to have an effective immigration policy it must provide for the fullest co-operation between the federal and provincial governments, between labour and agriculture, between the Canadian Legion and other veteran groups, between industry and other representative groups in the country, so that there may be co-operation in this matter on the broadest possible base. It is only in that way that I believe we can develop an immigration policy that will make it possible to absorb, not masses of immigrants but a constant flow of immigrants into the Canadian scene and into the Canadian economy.

I do believe that we should have one department handling immigration. The postwar period is practically over and the Department of Labour should hand over the functions it is now performing to the Department of Citizenship and Immigration. I think in that way we would have a more efficient immigration because I would expect more efficient immigration from the youthful, alert and active minister who is now heading this department. If the government presents a policy to this house then there will have to be a program of educating the Canadian people so that they will have the opportunity, which I am sure they will seize without question, to co-operate with the governments at all levels in order to build a greater and greater Canada.

Mr. Macdonnell (Greenwood): Mr. Chairman, for the sake of those who are tired and weary I shall state that I will be quite brief. I should like to take a moment or two to indicate my support of what has been said by other hon. members, notably the hon. member for Kamloops, about the great need for immigration and about our disappointment, which we do not fasten upon the shoulders of the minister, that the policy seems to be wanting. There are three main reasons that can be given for want of immigration in this country.

One may be on a rather high level which perhaps we do not urge very often, that we have a fine land here and we should not be so selfish as to keep it for ourselves. Some will regard that reason as being rather vague and I shall follow it by giving two reasons which are more definite and more self-regarding.

The second reason is that we need more people to help us pay for running this country. If he were here I am sure the Minister of Finance would agree with that because he has told us that our present expenses are at a practically irreducible minimum. Indeed he might have gone further and told us that they are going to rise considerably, as in all probability they will when we have dealt fully with the defence estimates. None of us is very happy about the taxes that must be paid at the moment and I am sure we would all welcome having a larger number of people in this country to help to carry the load.

The third reason is one which has been given quite often and it usually presses in on us more strongly as the years go by. This is that there is a military danger to all people who are occupying a land which may be coveted by others. That seemed remote years ago but now that the world has become so small we know that it is a thing that may happen.

I should like to take stock, as it were, of what you might call the composition of our population at the present moment. I suppose it is true to say that up to the beginning of this century we had the Anglo-Saxon and French streams moving side by side in Canada. It was not until the beginning of the century that we had any other very considerable element in our population. It is pleasant to reflect that as the years have gone by, particularly these last years, we have been making far greater progress in understanding each other. Perhaps that is due to the fact that in Europe the difficulties which used to separate France and England have been removed and they have been co-operating with each other with the fullest understanding for many years.

It is important to go back to the time just over fifty years ago when the Fashoda incident occurred in Africa. It might be interesting to recall an incident that occurred in the French chamber. A debate was going on to decide whether they should take steps against Great Britain in connection with this Fashoda incident. Tempers were running rather high when one witty member said, "After all, what is Britain? She is just a colony of France that did not succeed very well." It should be remembered that when we go far enough back we find that the Anglo-Saxon and Norman strains came from the same source. I do believe we can take it that as the years go by we are learning to understand each other very much better. We are learning to speak each other's language to a greater extent although we Anglo-Saxons have lagged behind in that regard. Nevertheless we are making progress and shall be able to do better.

There were one or two speeches on immigration the other evening to which I should like to refer. There was the speech of the hon. member for Portneuf who gave us some wise advice on the matter of immigration. We had the speech of the hon. member for Vegreville which I read with particular interest because he spoke about the new Canadians. I would remind the hon. member for Kootenay West that perhaps the Australians got the name "new Australians" from us because we use the phrase "new Canadians". I read the speech of the hon. member for Vegreville with particular interest because it had many wise things to say about the way in which new Canadians should be integrated. I should like to point out how fast and how successfully that is going on. When I look at the field of sport, whether in the universities or outside, I am constantly struck with the number of names of obviously new Canadians. We know that the same was true in the army, and we know that they are very rapidly taking their part in our lives.

Mrs. Fairclough: We are all new Canadians.

Mr. Macdonnell (Greenwood): The hon. member for Hamilton West says that we are all new Canadians, which is true enough. The other day I met a Canadian of French origin in the Department of External Affairs who told me that his family had landed in Canada in 1608. That is a good deal earlier than most of us, and he was able to tell me that the first marriage that took place on this continent was between a member of his family and a member of the Hébert family. Most of us, however, do not go back as far as that.

I should like to say a word about the duty of those of us who are at any rate less new Canadians to those who come here as new Canadians. I hope the minister will say something to us about the attitude of the department. We have a certain number of immigrants coming every year, referred to the other night as d.p.'s, who have been through terrible experiences in their own countries, and who when they arrive here perhaps need a certain amount of gentling, a certain amount of consideration and patience before they can fully take their place. Leaving that aside, I hope when the minister comes to answer the many questions which have been asked him he will say something to us about

what he is able to do in his department to smooth their way into our country. We all recognize that education after all is the only answer in the long run. We all know that education is a matter for the provinces, but nevertheless I hope the minister will have something to say to us about the measures which are taken by his department to assist these people over the difficult early days.

Reverting to the speech of the hon. member for Vegreville there is one other thing I should like to say. He referred to the melting pot theory whereby we would bring in new people and try to obliterate all their characteristic features, and as I understood him he was against that. If that is so I agree with him that we should try to preserve their distinctive arts, crafts and knowledge. It seems to me that one of the great dangers of our modern urban civilization is the wiping out of everything that is distinctive and reducing us to the dead level—I do not like to say of mediocrity because I hope it is higher than that—where distinctive features are apt to disappear.

I wish to carry out the promise I gave to be brief, Mr. Chairman, and I hope you will think I have carried it out. I hope the minister will speak to us at some length and give us a picture of what his department is doing now and what it hopes to do. I imagine it is not possible to ask him, so recently installed in office, to give us the immigration policy in full detail, but he is a man with a mind of his own and I hope he will be able to give us some indication as to where we are going. I noticed a compliment was paid him earlier in the evening. I do not dissociate myself from it, but I would put it a little differently. If I may, I should like to say that I would feel the new minister was a man of such physical proportions that it would be much better to have him as a friend than as an enemy. I hope that the physical characteristics which are so apparent may be equally apparent in the decisions which he will have to make.

Mr. Graydon: I should like to add one question to the number which the minister is no doubt prepared to answer at an appropriate time. On the Canadian Broadcasting Corporation news round-up last night I heard a reporter from London say that there was some indication in the British House of Commons either yesterday or the day before of a relaxation of some of the rather stringent financial conditions surrounding emigration from that country to Canada. At the appropriate time I should like the minister to indicate what information the government has on that point. While apparently nothing was said in the British House of Commons to indicate the extent to which relaxation was about to take place, the emphasis placed on the matter by the reporter would appear to indicate that there was something in the offing. I believe Canadians generally would like to know whether or not something is going to be done.

Mr. McLure: Mr. Chairman, I am not going to follow the other speakers who have taken part so well in this debate on immigration and immigration policies. First of all I should like to congratulate the minister on the honour that has been conferred on him by his appointment to his new position. After all the instructions he has received tonight about different immigration policies we will look to him to formulate something that will be most satisfactory to the country. At this time I wish to draw attention to a few items having to do with administration.

The minister is asking us to vote $20,555,166 for his department so that he may distribute it in different ways to the various branches. Out of that amount $3,639,140, or 18 per cent of the total, is for temporary assistance. It is true there is a little better break-down of that amount than we used to have formerly. The number of temporary employees is now given. The total number of employees in the department is about 3,100 of whom 2,200 are temporary, 839 permanent and 100 casuals. I think we should have a further break-down although I am not asking the minister to give it at this time. As to the $3,639,140 paid to temporaries, we should be told the number who are receiving $5,000, $4,000, $3,000 and so on; or are they all on the same basis and making an average of $2,000 each? I mention this because from time to time the matter comes up, and we would all like to know what the money is being voted for. We have to vote the money for the minister, and I think in the future he should give us the fullest details as to how it is going to be spent. There are other matters I wish to take up, but perhaps I had better leave them for the minister to explain when we come to the particular items. In addition to the other activities for which he is responsible I see he is in charge of fur conservation, which no doubt has particular application to western Canada. From reports I have received I understand that this activity is responsible for a large part of the revenues of this department; so when the minister gets down to that item I think we should have some statement as to the net revenue from fur conservation. The other matters I shall leave until we come to the individual items.

Mr. Harkness: When these estimates were up on April 21, and again the other day, a number of questions were asked to which

answers have not yet been given by the minister. I think we should have those answers before we go on to the next item.

Mr. Harris (Grey-Bruce): Well, Mr. Chairman, I have said twice if not three times that I would be prepared to answer all the questions on the appropriate items, as we come to them. The only question I have been asked on the general departmental item is that which was asked a moment ago by the hon. member for Queens, and I shall be glad to give the answer in due course. If we pass on, however, I will undertake to answer all the questions of which I have a note on the appropriate citizenship, immigration or Indian affairs item.

Item agreed to.

Citizenship—

49. Citizenship registration branch, $193,035.

Mr. Fair: I should like the minister to answer the question which was asked the other evening as to the position of some of our Canadian citizens who lost their citizenship rights by marrying people from other countries.

Mr. Harris (Grey-Bruce): The hon. member for St. Paul's and the hon. member for Battle River are inquiring about the difficulty in which some of our Canadian girls find themselves with respect to their citizenship after having married, particularly during the war years. The answer is that amendments to the Canadian Citizenship Act were introduced in the other place today, I believe. At any rate they will be discussed there on Monday next, and after they have been passed will come here. I believe that problem will be solved if the house adopts those amendments.

Mr. Harkness: The minister said that when we came to the individual items he would answer the questions that had been asked. I remember that the hon. member for Lake Centre made a speech on the matter of citizenship during the course of which he asked some questions, and I should think this would be the time to answer those questions, as well as one or two others that came up.

Mr. Harris (Grey-Bruce): The hon. member for Lake Centre made specific reference to two points. In the first place he asked whether it would be desirable to issue a certificate to a person who filed a declaration of intention to become a Canadian citizen. I have looked into that suggestion and find that a receipt is issued to the applicant three months after he files his declaration of intention in the county or district court. That receipt is quite clear on its face that it is a receipt for a declaration of intention to become a Canadian citizen, and we feel that document should be sufficient for the purposes mentioned by the hon. member.

Then the hon. member suggested that in Canada we might adopt the idea of the freedom train, which they had in the United States. As he said, the freedom train cost something like $1,300,000, and that might be beyond the capacity of a department which gets only some $20 million odd to cover many services. However, the thought behind the freedom train is something I think we might very properly use in this country to increase the interest of our people in Canadian citizenship. We had a more or less minor experience of that kind with our own plan for the national capital which has gone around the country and in which our people have shown a great deal of interest. We are going to examine the possibility of arranging a collection of historic documents, much the same as they had in the United States, and other matters which should be drawn to the attention of the Canadian people in such a way as to create, not only in the newcomer to our country but in our own citizens as well, an interest in our history and traditions.

The hon. member for Rosetown-Biggar made some mention of films, which perhaps we can deal with when he is in the chamber. In the citizenship branch we do issue a good many films and film strips, of which apparently he was not aware. There is an increasing demand for these, which we are supplying to anyone who asks for them. It is true that the hon. member made particular mention of a longer film dealing with our history, the cost of which according to our records would run to $10,000 or $12,000. We are concentrating rather on short strips for use in schools and other organizations, which in fact could be used almost anywhere. If it should happen that our estimates are increased certainly we will consider a film of considerable length at the cost I have mentioned, to present certain aspects in connection with citizenship.

I do not think there were any other questions, but if the hon. member for Calgary East has any of his own I shall be glad to answer them.

Mr. Harkness: I suggested that a good deal more might be done in the matter of teaching citizenship in our schools; I thought that was one of the best ways of accomplishing something definite in this connection. I wonder if the department is taking any steps to obtain material which could be used in the schools to teach citizenship, and to get it into the hands of the teachers.

Mr. Harris (Grey-Bruce): I did intend to refer to what the hon. member said in that connection. The citizenship branch is now publishing a number of booklets on the history of Canada and its institutions, more particularly designed for use in classes for newcomers. However, the booklets have been of such value and have created such interest in educational circles that the demand for them is increasing all the time. As the hon. member knows, schools and the like come under the provincial government, and we feel we should not enter the field unless by invitation of a particular province. I am happy to say that our relations with all the provincial governments and their educational branches are the very best, and at their request we do supply these booklets and will continue to do so, I hope in increasing numbers. As for the actual exercises in schoolrooms, we feel that is a matter for the provincial departments to control in their own way. I believe the hon. member is aware that this year we did begin certain exercises with respect to citizenship in relation to May 23. Again, however, those were wholly in the nature of an offer of assistance to the provincial departments of education in connection with the programs they might follow that day. This committee can take it for granted, Mr. Chairman, that we are only too happy to give any assistance through the citizenship branch for these purposes.

Mr. Stewart (Winnipeg North): Has the minister received a communication from the Canadian Club in Winnipeg concerning citizenship, and the granting of citizenship certificates?

Mr. Harris (Grey-Bruce): I have received representations from several Canadian Clubs, not only in Winnipeg but in other centres, with respect to the observance of the granting of citizenship certificates, the kind of training which might be given to persons seeking citizenship, and the like. I appreciate very much these representations because we are anxious to assist the voluntary organizations, and particularly those in Winnipeg who, I might add, are very active in this respect. We will do what we can to accommodate our organization to the best facilities which can be given to the newcomer.

Mr. Stewart (Winnipeg North): Can the minister give the committee an indication of his reply, or has it been embodied in the answer he has given?

Mr. Harris (Grey-Bruce): Mr. Chairman, I wrote to several of the persons who communicated on this subject, and I agreed with them that we should try to work out an acceptable method of dealing with the newcomers in the examination and granting of certificates. But I did point out that, beginning with the schools as I said before, we leave those to the provincial governments. In the courts, of course, the judges are in control of whatever procedure they wish to adopt. I would not care to say now what I said in my reply, because I have not got it here. I know what the hon. member has in mind, and we do hope to find a system whereby all the persons interested in the new citizens will be able to work together to carry out these programs in the best way.

Mr. Adamson: I should like to say a word in appreciation of the Ontario Association for Adult Education, and what they have done in connection with displaced persons. The work has been almost entirely voluntary, and I know that in the district from which I come a school was taken over for two nights a week. A great deal of useful information was given, not only on the responsibilities of Canadian citizenship but also necessary information dealing with home economics and the problems of running a house. Having had in my employ a couple of displaced persons, may I say that the work being done in this connection was of tremendous assistance to these people. I strongly commend the work that is being done by this and other organizations.

Item agreed to.

Citizenship—

50. Citizenship branch, $233,585.

Mr. Harkness: Mr. Chairman, first I should like to say that I was glad to hear of the work that is being done so far as distributing information is concerned. I notice that the largest division under this item is for educational and informational material, $108,000 this year. I presume it is under that particular division of this item that those educational pamphlets and so forth, to which the minister referred a little while ago, were published. Can the minister tell us more about the material that is put out? I believe there are members who would be interested in getting copies of that material to send out to the various people in their constituencies. Of what does this educational and informational material consist?

Mr. Harris (Grey-Bruce): Mr. Chairman, it consists of a great number of publications, some of them in large numbers and some in smaller numbers.

Mr. Harkness: So far as I am concerned, it would be satisfactory if the minister had permission to put a list of those pamphlets on *Hansard*, without taking the time to read it.

The Deputy Chairman: Is it agreed that the minister have permission to put the list on *Hansard?*

Some hon. Members: Agreed.

Mr. Harris (Grey-Bruce): The list is as follows:

Estimated cost of educational and informational material for the Canadian citizenship branch, Department of Citizenship and Immigration for the fiscal year 1950-51

Item No.	Quantity	Publication		Cost
Branch publications				
1.	20,000	Our Land	$ 1,900	
2.	20,000	Our History	2,100	
3.	20,000	Our Government	2,000	
4.	40,000	Our Resources	6,000	
5.	10,000	How to Become a Canadian Citizen	1,100	
6.	40,000	Our Heritage	6,000	
7.	5,000	Notre Pays	750	
8.	5,000	Notre Histoire	800	
9.	5,000	Notre Gouvernement	800	
10.	5,000	Our Resources (French)	1,250	
11.	5,000	Our Heritage (French)	1,000	
12.	1,000	Comment on Devient Citoyen Canadien	200	
13.	150,000	English maps	2,700	
14.	26,000	French maps	468	
15.	5,000	Facts About Canada, Dutch	675	
16.	5,000	Facts About Canada, German	675	
17.	5,000	Facts About Canada, Lithuanian	675	
18.	5,000	Facts About Canada, Polish	675	
19.	5,000	Facts About Canada, Ukrainian	675	
20.	10 issues	News bulletins	2,500	
21.		Art work for Items 4, 6, 10, 11	800	
22.		Electros for Items 1, 2, 3, 5	800	
23.		Stereos for use in Item 20	500	
				$ 35,043
Outside publications				
24.	20,000	Learning the English Language	$24,000	
25.	20,000	Learning the English Language—Workbooks	24,000	
26.	1,000	Learning the English Language—Teacher's Guides	1,000	
27.	10,000	Pocket Book of Basic English	1,700	
28.	10,000	Pocket Book of Basic English—Workbooks	5,000	
29.		French Self Taught	5,000	
30.		French Self Taught—Workbooks	5,000	
31.		Canada From Sea to Sea	1,500	
32.		Canada Handbook	450	
				67,650
Visual aids				
33.	20	Film strips	12,000	
				12,000
				$114,693

N.B.—Amount shown in this year's estimates is $108,000, to cover the above program. This does not include office stationery or supplies.

Mr. Knowles: Mr. Chairman, I should like to confirm what the member for Calgary East has said. Last session when this item was up we had difficulty getting information as to what it was all about. The present minister was not handling the item at that time. Later the director of the branch that had to do with this material was good enough to come and let me see some of this literature. I must say that I was so taken with it that I am glad to see the item is larger, so that more of this kind of material can be printed. Having secured a number of copies of these pamphlets, a list of which has been placed on *Hansard*, I sent some of them out to school principals and other people who might be interested. In all cases I received a most appreciative response. I believe the suggestion of the member for Calgary East is a good one, that members of parliament generally might at least be told of the availability of this material so that they can assist in sending it out to people who would welcome it.

Mr. Harkness: One other small point: I see there are only twenty-eight people in this department now, and there were only twenty-two last year, of whom ten were

permanent. They include a messenger and several clerks. The travelling expenses, however, amount to $7,000. I know that a messenger and, I presume, most of these clerks, do not travel. I was wondering who required the $7,000 in travelling expenses.

Mr. Harris (Grey-Bruce): Mr. Chairman, the persons requiring the travelling expenses are the people whom we call liaison officers. We have appointed them for the purpose of keeping in touch with the newcomers in the period we have been discussing, namely, after they arrive and before citizenship is granted. There are a number of these officials, and this item is intended to cover their travelling expenses.

Mr. Harkness: They appear amongst the temporary assistants, I suppose?

Mr. Harris (Grey-Bruce): Some are temporary, some permanent. They are civil service appointments. May I add one word about the tabulation which has been put on *Hansard*. You will find that the total amount of money is $114,000, and I hope you will not question why it is that instead of $108,000 as in the previous item. It does not add up.

Item agreed to.

Immigration branch—

51. Administration of the Immigration Act, $750,425.

Mr. Roberge: I should like to ask the minister if the contract labour laws have been changed or cancelled. I received representations from someone in my constituency about some people who came in from the United States to do some work. Where labour was available, they refused to hire these people as they had their help, and it caused a lot of dissatisfaction.

Mr. Harris (Grey-Bruce): Is the hon. member referring to people coming into Canada?

Mr. Roberge: Yes.

Mr. Harris (Grey-Bruce): Perhaps if the hon. member would give me the instance I could answer the question much better on another occasion. I am not familiar with it.

Mr. Roberge: My point is that some United States citizens were brought in to work on the farm. There were two boys, and the people would not hire the boys. They had a little discussion over it, so I thought I would bring the matter up to see if any change had been made in the contract labour laws. Have they been abolished completely?

Mr. Harris (Grey-Bruce): Yes; as I recall, they were suspended three or four years ago.

Mr. Stewart (Winnipeg North): I should like to ask the minister a question about

Count de Bernonville. I believe the security department recommended he be deported; the officials of this department recommended that he be deported, and two committees recommended that he be deported. There is now an appeal to the minister against the deportation order. Can the minister tell us the status of this case now?

Mr. Harris (Grey-Bruce): The situation is that the appeal is before the minister and has not been decided yet.

Mr. Knowles: Can the minister now start answering some of the many questions that he has before him? If I might suggest one, it would be the subject which I raised on April 21, and about which several other members have spoken, including the hon. member for Lambton-Kent today, namely, the question as to P. C. 2115.

Mr. Harris (Grey-Bruce): The hon. member for Winnipeg North Centre spoke about P. C. 2115 in the debate about a month ago. The remarks he made were not those with which I might entirely agree, particularly when he refers to the misunderstanding which occurred over the repeal of the Chinese Immigration Act; because I do not agree with him that the statement made at that time was in any way misleading, although he and others perhaps did misunderstand it.

The present P. C. 2115 is an order in council passed, as I recall it, in September 1930 and it applies to all Asiatic people. In that connection, "Asiatic" refers to a geographical area lying roughly east of the Mediterranean, and within that area it provides that the only persons who may be admitted to Canada are the wives and unmarried children under eighteen of Canadian citizens. I realize that the hon. member thinks that this P. C. should be broadened to permit the admission to Canada of wives and children of persons from that area who are not Canadian citizens. I also realize that he and others have made representations that the age limit of eighteen for children might be increased. The present policy of the government, however, is to observe the order in council as it is, with one exception with which I think the committee is familiar; that is, an exception is made for a child to be brought forward up to nineteen if he or she is the sole remaining one of the family abroad.

The argument is made that this P. C. is discriminatory against those Canadians of Chinese origin. I must repeat that it is not a discrimination against them. They are covered by the same P. C. as other Asiatic peoples; and it is not correct to say that that is a peculiar discrimination against these people.

Perhaps I might give some figures to the committee. It must be remembered that, in the years before 1947, the Chinese Immigration Act did apply; and without going into the history of Chinese immigration into this country, as did the hon. member for Lambton-Kent tonight, we can start with 1947 and say generally that only 20 or 30 people of Chinese origin had been entering this country per year up to that time. The figure last year was just one or two over eight hundred. Up to the end of April this year something like four hundred have come in. At the same rate the figure for the whole of this year might reach twelve hundred. I think the committee will agree with me that until we see the limits of the movement to Canada of people of Chinese origin, we might well leave the P. C. as it is and consider if necessary a revision of it when the full facts of the movement are apparent.

Mr. Knowles: I must say, Mr. Chairman, that the figures the minister has given certainly put the government in a better light with respect to this matter than was formerly the case. The numbers used to be what one could count on the fingers of his hands. These figures of a few hundred seem to be a little bit more humane. I use that phrase particularly in relation to what should be our interest in family formations. Nevertheless, I hope the basic order will yet be changed.

Although I do not wish to pursue the argument with the minister at this time, in view of his statement that there was no reason for misunderstanding the position taken by the government back in 1947, I feel that I should put on record again at this point the statement at that time which was attributed to Mr. King, in a press release of January 27, 1947:

> Mr. King said that, at an early stage of the session, the government intends to introduce a bill to repeal the Chinese Immigration Act which is regarded by the Chinese government as an exclusion act and in the nature of discrimination on grounds of race against a friendly and allied people. The effect of the repeal will be to remove all discrimination against the Chinese on account of race and to bring Chinese persons under the general provisions of the Immigration Act and no longer under legislation applying exclusively to persons of Chinese origin.

I see the minister nodding his head. In other words, he thinks that we both have a case for the position we are taking. I submit that the ordinary person, reading those words, would take from them the meaning that our Chinese Canadians took when that press release came to their attention in January, 1947, namely that the effect of the action to be taken by the government at the 1947 session of parliament would be to remove all discrimination against the Chinese on account of race. But we found that the latter words in that statement, which were to the effect that they would no longer be under legislation applying exclusively to persons of Chinese origin, had the effect of putting them under an order in council which, it is true, does not apply exclusively to persons of Chinese origin, but it does apply to persons of Asiatic origin. This is where our Chinese Canadians and other Canadians who are interested in this matter feel that they were deceived. It cannot be said now that all discrimination against the Chinese on account of race has been abolished, as many Canadians feel it should be.

Mr. Thatcher: I should like to ask the minister a question with regard to Chinese students. Can Chinese students still come to Canada? I have in mind particularly doctors who want to interne in this country. I believe that formerly they could come to Canada, and I should like to know what the present status of that class of people is.

Mr. Harris (Grey-Bruce): So far as the Canadian government is concerned, the situation is the same as it has formerly been. Chinese students may come to Canada, to go to university. But there is this difficulty. At the moment one is not certain whether they can get the appropriate documents from the Chinese government so that they might return at the end of their period of education here.

Mr. Thatcher: What would be the position of a citizen of Hong Kong? Would he be able to come over here without this present difficulty that the minister mentions?

Mr. Harris (Grey-Bruce): We took cognizance of the fact that there are a great many people in Hong Kong, commencing roughly last fall, and we did cut a certain amount of the regulations in the way of travel documents; but there are still some needed. If they obtain those, they can come forward; and in fact, they are coming forward from Hong Kong.

Mr. Thatcher: Can a doctor who has graduated from a Chinese university and wants to interne in Canada come to Canada at the present time as a citizen of Hong Kong?

Mr. Harris (Grey-Bruce): Subject of course to the documents, yes.

Mr. Stewart (Winnipeg North): Can the minister tell us how the process of screening of potential immigrants is conducted in Europe?

Mr. Harris (Grey-Bruce): I think the committee will understand the answer I am going to make. This is the kind of information that I do not think should be made public.

Mr. Stewart (Winnipeg North): A most unsatisfactory answer.

Mr. Harris (Grey-Bruce): I realize that.

Mr. Stewart (Winnipeg North): I am willing to admit that for security reasons certain things ought not to be told. In the past I have complained about a certain type of screening. I refer of course to those who have come into this country with false passports. I have tried to find out how these people's backgrounds were checked into because the passports were false. The only answer I am given is that it should not be made public. I think the answer is utterly absurd.

Mr. Decore: I was wondering whether the minister was in a position to make a statement with reference to the possible admission as immigrants of a certain Ukrainian group now in the United Kingdom and who formerly went under the name of "division Halychyna." This group as a military unit was originally formed during the war on Soviet territory. It was motivated by a desire to form a nucleus of a military group around which other military units would centre for the creation of an independent Ukraine. They wanted to break away from the soviet tyranny. In the turmoil this military division found itself under German jurisdiction. That they detested the nazis as much as they hated the communists is indicated by the fact that immediately upon contact with the allies they surrendered to the United States army. They then became prisoners of war and were taken to England. After staying in England for a while they were released to work as free citizens. I understand that a lot of them are anxious to reach the shores of Canada and to settle here. I am sure they would make desirable citizens if they came into this country.

Mr. Harris (Grey-Bruce): The Ukrainian persons mentioned by the hon. member for Vegreville had the history he has given. When they were taken prisoners of war by our troops in Italy it was recognized by the allied commander that there were special circumstances in connection with that division because they were not treated entirely as other prisoners of war were. They have been in England since the spring or fall of 1945. We have investigated not individuals but the group as a whole, and we are quite prepared to accept them provided they come within the ordinary rules with respect to immigrants; that is, they might be agricultural workers, settlers, and the like. May I express the hope, since it may be the only opportunity I have to refer to the speech of the hon. member for Vegreville, that their sons might turn out just as he has.

[Mr. Stewart (Winnipeg North).]

Mr. Hansell: I believe we are on item 51; at least we are talking about that item. Tuesday night I asked the minister whether he would tell the committee what the government's present policy is in respect of immigration from Italy, and whether it is expected that the policy may be changed in the near future. Can the minister make a statement now?

Mr. Harris (Grey-Bruce): Immigration from Italy is on the same basis as it was prior to the war, since we have a peace treaty with Italy and have restored the normal relationships. Italians may come provided they are close relatives within the description found in P.C. 2743, and also agricultural workers and settlers.

Mr. Fulton: Can the minister make a statement with regard to the position of Germans? I understand the governing factor is that we have not yet got a peace treaty with Germany. I must say that that seems a bit hard on a number of Germans, and people who are now classified as German nationals although racially they are not Germans. It seems a bit hard on them because it is hardly their fault. A number of them would make good citizens. I hope the minister will understand that I am not suggesting a complete relaxation of all the investigations and safeguards which now exist against the admission of people of nazi tendencies and symptoms. What I am suggesting is merely that the fact that we have not yet been able to complete a peace treaty with Germany because of Russia should no longer be allowed to prevent these Germans and other Europeans, who would make desirable immigrants in accordance with the present security standards, from coming into this country. Can the minister say anything with regard to that?

Mr. Thatcher: Before the minister replies, perhaps I might ask a supplementary question. I hold a newspaper clipping in my hand dated June 5. It was taken from the Toronto *Star* and it says that Germany asks Canada to take 500,000 Sudetens. This dispatch is headed "Bonn, Germany", and says that mass settlement of 500,000 Germans in Canada is being sought by the west German government.

I should like to know if they have made a formal application to the Canadian government to take that number. If so, has the request been considered in any way? What has been done about it?

Mr. Harris (Grey-Bruce): No such request has been received. I read the item referred to, but we have not heard of it, apart from that.

With respect to the question asked by the hon. member for Kamloops, I made a statement in the house on March 28 in which I covered the question of German nationals, and said that we would now admit German nationals who were first degree relatives in accordance with P.C. 1606 of this year.

I also covered the question of the persons who are non-Germans, but known as Volksdeutsche, in the same announcement. The fact that there is not a peace treaty is one factor which I agree with the hon. member should not necessarily stand in the way of immigration from that country.

Mr. Adamson: What is the difference between Germans and the Volksdeutsche?

Mr. Thatcher: Has the minister at his fingertips the number of Germans who have come into Canada since the regulations changed?

Mr. Harris (Grey-Bruce): No, because that was in March. I can give the April figure, but that is all I can give.

Mr. Thatcher: What was the April figure?

Mr. Harris (Grey-Bruce): In the meantime I will answer the hon. member for York West. The Volksdeutsche are persons of German ancestry who, by my description at any rate, were living outside the limits of Germany prior to the war, persons in Poland, the Baltic states, Czechoslovakia, and the like.

Mr. Adamson: I just wanted that on the record.

Mr. Black (Cumberland): I have a special case to refer to in my constituency of Cumberland. German settlers came to that county after the first great war, Mr. and Mrs. Ernest Woock. They have proved themselves to be the highest type of citizen. They settled on a farm and enlarged their acreage. They have recently enlarged it by another eighty acres, and have made a success of farming operations. They recently became Canadian citizens. He was conscripted in the first great war and served as a German. There are no children. They have a nephew who served in the last great war in France, and he is still in France. They have made application that he be allowed to come to Canada to assist them on the farm. They wish to make him their heir. This is a special case that should have the sympathetic consideration of the department.

I should like to know if the policy of the department has been changed in order to permit such an applicant to come to this country. Has the minister the authority to give such special permission or would it be done by order in council? The uncle and aunt who live in Cumberland have been ready to advance the necessary funds for his passage and other expenses, but they were not accepted by the steamship company and he has not yet received permission to come. These settlers in Cumberland have proved to be excellent citizens and they have certificates as being the best citizens in the community. They have evidence of their high standing as citizens from the manager of the bank and I think it would be most desirable that in this special case permission be granted so that this boy can come to Canada.

Mr. Harris (Grey-Bruce): Without going into the details of this particular case, a nephew would not be admissible. It is only close relatives who are admissible and that does not extend to nephews unless they happen to be orphans. If my hon. friend will speak to me later about the case I shall look into it and give him a firm answer.

To answer the question asked by the hon. member for Moose Jaw, there were 641 persons of German origin who came in in April. Those would not all be from Germany as it is the racial origin, not necessarily the place whence they came, that is indicated.

Mr. Harkness: There have been a number of speeches on immigration since these estimates were first introduced in April and I had hoped that the minister would make something in the nature of a general statement and answer the considerable number of questions, either direct or implied, contained in the speeches. I think in almost every case the tenor of the speech was disappointment that the number of people coming into this country as immigrants has been steadily falling during recent months or during last year as compared with the year before.

Nearly every speaker wanted to know what means were going to be taken to reverse that trend and to increase immigration into the country in pursuance of the policy announced back in 1947. We have not had anything so far along that line. It has been impossible to ascertain what there is in prospect to increase the number of immigrants from the British isles, which number has been decreasing materially during recent months owing to exchange difficulties particularly. We have not been told that there are any prospects of overcoming those exchange difficulties. Is the minister prepared to make a general statement in reply to the general criticism from all parts of the house, and will he indicate whether any specific steps are in prospect to reverse this trend?

Mr. Harris (Grey-Bruce): Mr. Chairman, I think perhaps I might avoid making an extended statement, but a number of specific

questions have been asked at various times which I shall be glad to answer. The hon. member has just mentioned one which was asked by the hon. member for Peel in regard to exchange difficulties. As I have said, and as I think everyone in the committee knows, this question must be settled before we can expect an increase in immigration from the United Kingdom. This is known and appreciated in the United Kingdom. There was a debate on this question in the House of Lords on April 27 which makes interesting reading but I shall not put any of it on the record. However, in the press of yesterday there was a report of a discussion in the House of Commons at Westminster which was referred to over C.B.C. last night. Perhaps I should read a part of this report, as follows:

> Patrick Gordon-Walker, commonwealth relations secretary, said the government would have to decide not only whether to encourage emigration to the commonwealth, but whether it should take steps to discourage migration to non-commonwealth countries?
>
> Earlier the secretary referred to the £1,000 ($3,100) allowance, spread over a four-year period, which British emigrants can take to Canada.
>
> "I cannot promise, on behalf of the government, to give absolutely top priority to this as the dollar situation eases, but we will give very high priority to it, and I will discuss with the chancellor (Sir Stafford Cripps) whether it would not be possible to allow a larger section of the £1,000 to be carried in the first year."

I do not think that anything need be added to that. The minister has been considering from time to time what steps might be taken to overcome this difficulty, but no conclusion has been reached and no good purpose would be served by my trying to discuss it. Should we come to a conclusion I am quite sure that it will be given to the house at the earliest possible moment.

The other questions raised were all specific and I think they can be disposed of quickly. There was some suggestion of a lack of interest, or rather our declining interest, in the persons coming forward under the IRO. We are and always have been carrying our weight in the IRO and have through that organization brought to this country about 90,000 people. Contrary to what has been said in this house, these are not limited to agricultural workers. The complaint has been made that we were not bringing in brains, that there seemed to be objection to bringing in people with high educational standards. That is not so. If the committee will look at the annual report for last year of the Department of Mines and Resources they will see the details of these people set out according to their occupations and the like.

There has been some discussion about subsidizing the transportation of immigrants to this country and the hon. member for Kootenay West gave us the details of the Australian plan to assist immigration. Recently, at any rate, this country has not provided subsidized transportation as is done in Australia. I have read the booklets and other publications which are published in Australia in the interests of obtaining immigration, which were referred to by my hon. friend.

The Australian government is spending quite a considerable amount of money in advertising, but I repeat that the crux of the matter is the exchange difficulty. People will come here if they can bring their money, and until that problem is solved there is no point in spending large sums of money on publishing booklets and distributing them to people who could not react to them in any event.

When the leader of the opposition spoke in this debate a month ago he went into considerable details about the difficulties in London in connection with applications, processing and so on. With a good deal of what he said I am in complete agreement. It would be desirable to have all these various activities under one roof so that the intending immigrant could come to town and perhaps in one day get through most of the necessary work under the one roof. We hope to improve our facilities in the very near future in London and other parts of the United Kingdom. I do not believe there are any other specific questions, but if I have overlooked any I shall be glad to discuss them.

Mr. Browne (St. John's West): Can the minister supplement the reply he gave to the hon. member for Macleod as to the number of Italians who came in under this regulation during January, February, March or April of this year?

Mr. Harris (Grey-Bruce): Up to the end of April there were 2,294.

Mr. Murphy: There is one point on which I should like to have the minister express his view. It has to do with the service at the border points. I raise this matter because of an item in the press some two years ago about several hundred United States cars being turned back at a border point in British Columbia. This action of course affected a great many people and also affected our tourist dollars. What I have in mind is that I understand that at certain border points at some times the United States combine the customs and immigration officers, and one man takes the responsibility for discharging the duties of both in order to expedite the entry of the person or car as the case may be.

I feel rather keenly about this matter because it is quite important that when our United States friends come to Canada they

should not be unnecessarily delayed for any unusual length of time with the result that a lot of them turn back and do not come into Canada because of the delay at the border. We depend on the immigration and customs officials a great deal to boost our tourist industry because they are the first Canadians whom the Americans contact when they enter our country. We expect a great deal of them, and I have never been satisfied that those at the border points are being compensated sufficiently for the responsibilities that they have to assume and what is demanded of them. I should like to have the minister comment as to whether or not in the rush seasons we could introduce something along the same line as they have on the other side in order to expedite the entry of United States people into Canada.

Mr. Harris (Grey-Bruce): Mr. Chairman, the mixing of customs and immigration officers that the hon. member has mentioned is on an experimental basis in the United States at the moment, and we are keeping in touch with the situation to see if it is satisfactory. We do of course put on extra help during the summer months, and particularly when a large number of tourists are expected. Nevertheless I agree with the hon. member that we should give the best reception to these people that we possibly can. I think I mentioned in my earlier statement that we checked into Canada something like 39 million people last year. Of course a great many of them were commuters and the like, but if there are any opportunities for improving the facilities for receiving these people, particularly in my hon. friend's riding, I shall be glad to consider them. At any rate I can assure him that during the summer months I am going to visit some of these points myself to see if we can improve the facilities.

Mr. Fraser: In the details for immigration on page 103 there is an amount of $242,000 for overtime, which is the same as last year. Was that amount actually spent last year, or was it just an estimate, and what is the situation this year?

Mr. Harris (Grey-Bruce): Is the hon. member objecting to the fact that we are not spending more?

Mr. Fraser: No. I was wondering how the amount of $242,000 for overtime was made up and why you call it overtime. Is it for overtime work, is it allowed in place of leave, or what is it?

Mr. Harris (Grey-Bruce): At the immigration points the staff work overtime to complete the week's work, and we pay them on a pro rata basis in the same manner as we have in previous years. This represents the same amount of overtime, perhaps with a larger staff, but we prefer to do it that way rather than to put on extra staff for the small amount of overtime that must be worked.

Mr. Fraser: I wondered why it was exactly the same as last year.

Mr. Harris (Grey-Bruce): That means we have the same staff.

Mr. Knowles: Are they paid at overtime rates of pay?

Mr. Murray (Cariboo): I should like to ask the minister whether any special effort is being made to encourage migration from the United States, particularly from the middle west. We have large areas in the Peace river country and elsewhere in the north, and settlers from Iowa, Kansas, Ohio and the middle west seem to do very well there with the cheap land that we have in the northwestern part of Canada. According to one very good authority I am told that we can finish a hog in the Peace river country at 5 cents per pound.

Mr. Hodgson: Let us cut the price of bacon right away.

Mr. Murray (Cariboo): You can see the possibilities in the use of that land by men who know about hogs and corn, how to put the two together and how to develop prosperous mixed farming projects. It is all very well to talk about bringing in men from Denmark. Among the best settlers we have had in Canada, and particularly in Alberta, were dairymen from Denmark who came here and assisted in developing co-operative creameries, cheese factories, and so on. We have had good men from Sweden. I can point to a good many people all through the northwest with prosperous farms, and some of them right in this house tonight, who originated in Sweden.

We have had good men from Norway, but after all we want our own Anglo-Saxon stock to be given an opportunity in the northwest where these new areas are waiting to be settled. We want Englishmen, Irishmen, Scotsmen, and let us not forget our United States friends. We had 90,000 Americans on the Alaska highway to build a lifeline to the Alaska perimeter, and we did not do anything about giving them any land. If I had been in the position of the Right Hon. W. L. Mackenzie King I would have given each of them 160 acres of land in that country, but we did not do it. The land is there, the opportunity is there, and we should invite settlement of those areas. The French Canadian people of the province of Quebec should

be invited to go to northeastern British Columbia and northern Alberta. I regret that the people of Ontario refuse to turn their attention to the possibilities of that great country. United States people are well qualified to settle there. They know about tractors, and they know the mysteries of hog farming. They understand the mysteries of hog raising; they know how to build silos; they know how to clear land. Let us get as many Americans as we possibly can to come in along the Alaska highway and into these new areas.

Mr. Murphy: Has the minimum wage scale been increased within the last two or three years? In other words, at what rate is a new employee engaged, and how much higher is that rate than it was last year or the year before?

Mr. Harris (Grey-Bruce): The immigration officers are in the same position as other civil servants. They have received their annual increases and the special increases which have been granted civil servants from time to time. If my hon. friend has any particular appointment in mind I shall be glad to give him the precise figure.

Mr. Murphy: Let us say you take on a man, a novice, as an inspector at a port. I assume he is paid a minimum wage, and that is the amount I should like to have.

Mr. Harris (Grey-Bruce): The minimum is $2,280.

Mr. Murphy: And what was it three or four years ago?

Mr. Harris (Grey-Bruce): I will have to look that up and let my hon. friend know.

Mr. Adamson: Mr. Chairman, just briefly I should like to pay tribute to the director of immigration, Mr. Jolliffe, who has held that position for a great number of years. Certainly in all the dealings I have had with him and all the dealings anyone else I know has had with him he has gone to the greatest trouble to settle our problems. The number of people who are in Canada today through the humanitarian efforts of this notable servant of Canada is very large, and I wanted to pay this small tribute to him at this time.

Now I want to ask the minister how the IRO is going to be supported next year, after the funds are exhausted. I understand that officially the IRO will wind up next year, or even within the present fiscal year. I have several questions to ask, but the first is, what is the policy of the government concerning the operations of the IRO?

My next question has to do with the displaced persons' camps in both the American and British sectors of Germany, where there are still large numbers of people. These unfortunates are perhaps in an older age group than those who emigrated to Australia and Canada in the last few years, but we cannot consider them an indigestible group. Something must be done to solve that problem before the major question of a peace treaty with Germany can be worked out. On our responsibility as belligerents, and our responsibility from the humanitarian point of view, we must realize that there are in Germany today many thousands of people for whom work cannot be found there; but there is work for them in Canada. They are not like the young, virile people we have received from the displaced persons' camps in years gone by; still there is work for them, particularly in our large institutions. For example, I understand that a short time ago the Toronto General hospital was so short of assistance that a great many rooms had to be closed. They had not enough nurses; they had not enough ward assistants to service that great institution completely. To what extent that was true I cannot say positively, but certainly I was told of someone who could not get in the hospital because, while the rooms were available, the service could not be provided. In these camps are many people who could do ward work and the various other duties that have to be performed in these great institutions. In addition there is still a great unsatisfied demand throughout Canada for domestic servants, and I am sure that many of these people, who are perhaps in their fifties, could give satisfactory service. I believe it is our responsibility to see that something is done about them.

I now come to the people whom the Netherlands are so anxious to send to Canada for farm work. I want to ask the minister whether any special scheme has been worked out with specific reference to citizens of the Netherlands for farm work in Canada. I remember that some years ago there was a system of assisted immigration for citizens of Switzerland who came to Canada, and particularly to Manitoba. That scheme was extraordinarily satisfactory. As a matter of fact I believe the chief surgeon of one of the principal hospitals in Winnipeg is the son of a man who came out as one of those Swiss immigrants.

I repeat that the problem of the displaced persons is not solved. I am free to admit that we in Canada have done our share and perhaps more, certainly as compared with the United States, but the problem still exists. There is no use shutting our eyes to it, because it is still there. Before any satisfactory solution of the problem of Germany can be worked out some solution must

be found to the problem of the refugees who have flooded into that country. There is work for those people in Canada today, of the sort I have suggested. Perhaps they would not be able to do active work in construction jobs or on the farms, but there is work here for people who would be prepared to help with the domestic work involved in operating our great institutions. That is one thing. With regard to the question of importing brains, I might say that if there is one thing that was done that was not so advantageous, it was the bringing to Canada of a number of displaced persons who were extremely well educated. A great number of professional people, such as university professors, surgeons, doctors, and other highly skilled people have come to Canada and gone into domestic service for one year. After a year in domestic service, or the first service they entered upon coming to Canada, they left that service. That is quite understandable.

Mr. Smith (Calgary West): Does the hon. member know of any of them who stayed the year?

Mr. Adamson: Yes, they stayed a year, but not one d.p. couple stayed more than their contract year. I suggest there is still a demand for this type of labourer, but the displaced persons whom we brought out did not stay. They all went into other, perhaps more remunerative work than that for which they first came out. I suggest to the minister that is a problem that is still unsolved. There are many men, women, and in many cases children, who are still in these camps. Something will have to be done about them. They cannot remain where they are. I feel that through the continued operation of the IRO, or some other international organization, we should co-operate in every way possible. I do want to suggest to the minister that there are great opportunities for displaced persons in Canada, particularly in those fields in which we are short of labour.

Mr. Harris (Grey-Bruce): Mr. Chairman, the hon. member has asked a specific question as to what we are doing about the continuation of the operation of the IRO. Of course the IRO is not under my department.

Mr. Adamson: I realize that.

Mr. Harris (Grey-Bruce): There is a vote under external affairs, item 84, which provides for about $2 million as our contribution to the IRO. This organization was to wind up on July 31, but I believe it is being continued for some months in view of the difficulty my hon. friend has mentioned. A representative of the IRO was here early in the winter, and we discussed with him some of the problems. I think I can assure the hon. member that, as I said before, we shall continue to take an interest in these people, and to share in the solution of the problem he has stated.

With respect to the Netherlands question, I think I covered that and I do not want to quote myself.

Mr. Adamson: There are so many committee meetings that I missed what the minister said.

Mr. Harris (Grey-Bruce): Earlier in this discussion I said that there were about 3,000 Netherlands citizens who came here in 1947; 7,000 in 1948; 7,000 in 1949; and approximately 4,500 to this date this year. In almost every instance they are agricultural workers coming to this country under the Netherlands foundation. I might add that we are particularly pleased with this movement of Netherlands citizens, and we hope it will continue.

Mr. Bryce: I should like to ask the minister how many persons Canada deported last year.

Mr. Harris (Grey-Bruce): I shall look that up and let the hon. member have the figure.

Mr. Murray (Cariboo): With respect to displaced persons, I hope I may give the house some information regarding an experiment which was made about ten years ago in bringing German settlers, that is displaced persons from the Sudetenland area to Canada. Those people were placed in my riding at Tupper Creek, which is near Dawson Creek. Some three hundred families in all were brought to Canada. They received from the British government approximately $1,500 in funds which were locked up in one of those countries from which they came—I mean their credits were standing in Britain and their money was in Czechoslovakia or some of the other areas. Those people came to Canada. They received $1,500 per family and took up land which was not considered by the average Canadian as very good land.

They have been in Canada ten years. They did not know our language. They knew nothing of our laws or our customs. What has been the result over the ten years? A community of happy, prosperous people who have contributed a great deal to the economy of that part of Canada. They have gone into dairying; they have cleared land; they have built homes. Those Germans, although many of us would say they are aliens, and possibly enemy aliens, are today part of our Canadian citizenship. They are giving a good account of themselves. I suggest to this house that is a test tube experiment. It is our responsibility to work out,

on a much larger scale, that successful experiment which has been carried out at Tupper Creek and Dawson Creek.

Mr. Harkness: Mr. Chairman, as indicated some time ago, the thing which chiefly concerns me, so far as immigration is concerned, is that the number of immigrants has been steadily dropping. I believe the same view was expressed by many other speakers. The minister has indicated that some plans are under way to try to solve the exchange difficulties which prevent more immigrants coming to this country from the British isles. Can he tell us if any plans are under consideration, or if the department has any other ideas as to how this downward trend in immigration could be stopped and an upward trend started? I think that is what most of us want to know so far as immigration is concerned.

Mr. Harris (Grey-Bruce): Mr. Chairman, I do not think I can say it differently than I did a moment ago. The exchange difficulties consequent upon the depreciation of the pound are, in fact, the problem which has to be solved. As I indicated before, I do not feel I should try now to explain my own thoughts as to how it could be done because they are not crystallized. But I assure the hon. member that should we come to a solution we will announce it at once.

Mr. Fulton: I should like to ask a question or two, and put a suggestion before the minister with respect to these regulations we are discussing which stand in the way of the admission of certain European nationals in the hope that he might consider the relaxation of at least one category of relatives. In many cases the husband has been a war casualty, and the brother of a relative in Canada. The wife and children of the man who was the war casualty are not admissible to Canada, and the children particularly are not admissible unless they are orphans. In this case the wife is not a sister but a sister-in-law, and I wonder if the minister would consider the relaxation of the regulations, at least to the extent of including, in the admissible class, sisters-in-law and their children, who would be blood relations to the people in Canada.

Mr. Harris (Grey-Bruce): I would be glad to consider that. I take it the hon. member means that the applicant in Canada would be able to provide satisfactory settlement?

Mr. Harkness: Yes.

Mr. Harris (Grey-Bruce): I shall be glad to give consideration to that. The hon. member for Selkirk asks about the number of deportations. There were 416 for the fiscal year ended March 31.

[Mr. Murray (Cariboo).]

Mr. Bryce: You have increased your staff. Is there any reason for that? You have increased them from eight to nine. Four hundred and twenty do not seem to be many people for nine officers to handle. Do they do anything else? Is their sole job that of throwing people out of Canada? I could throw 420 out myself.

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

Some hon. Members: Carried.

Mr. Harkness: Mr. Chairman—

Mr. Bryce: Tell me something about it. I want to know.

The Acting Chairman (Mr. Lesage): Order.

Mr. Harkness: I have one particular question with regard to the details. I see that for publications and advertising the amount is $158,000 which is up from $85,000 last year. Can the minister explain what the reason is for that and what these publications and advertising consist of?

Mr. Harris (Grey-Bruce): They actually provide for the advertising which we hope to do should we overcome the difficulties we have just been discussing. In particular we propose to make a number of motion pictures depicting scenes in Canada which would be attractive to prospective immigrants and also two publications which are known as "This is Canada" and "Canada Descriptive Atlas." The purpose is to increase the interest of persons who might come to this country.

Mr. Fulton: Is the minister able to make a general statement covering information to which reference was made earlier, that the number of immigrants has declined over the last three years by nearly 50 per cent and the cost of administration in Canada—that is, in the first two items I quoted, departmental administration and field inspectional service in Canada—have increased in the same period by approximately 25 per cent?

Mr. Harris (Grey-Bruce): The increase in staff is largely due to the necessity of having inspectional service in Canada. The requirements of inspection have been increased in the last two or three years and for that reason the staff has been increased accordingly. As the hon. member pointed out, there has not been an increase in the staff abroad; but I think he will agree with me that a good base at home is desirable before we launch into the other branch of attracting immigration.

Mr. Fulton: May I just point out that the same provision, or the same type of inspection facilities and charges by the labour

department under this heading is also increased, so that the two departments are sharing the costs of follow-up and so on and investigation in Canada; and I cannot see any justification as yet for that substantial increase in costs when at the same time our immigration is falling and facilities overseas for arranging for immigration are apparently being reduced, if one can judge by the reduction in the estimates there. If the number were increasing, I would agree with the minister; but unless he can show that we are preparing for a program of increased immigration, I cannot agree with him that there is justification for that increase.

Mr. Harris (Grey-Bruce): I have no hesitation in saying that we are; and I have just given an indication of the increase in one particular item.

Mr. Stewart (Winnipeg North): Have any studies been made by the department as to the capacity of Canada to absorb immigration?

Mr. Murray (Cariboo): As to the question of publicity, I suppose that the hon. member for Kamloops refers to advertising, does he, and propaganda?

Mr. Fulton: I have not mentioned it.

Mr. Murray (Cariboo): The time is now ripe for this country within reason to do considerable publicity and advertising of the resources and possibilities of the country. At the present time we are hosts to the commonwealth press conference. In the city of Ottawa tonight we have some of the leading publishers of Britain and of the commonwealth countries. I would suggest to you that they are unpaid ambassadors of good will to Canada, going out to the seven seas to tell of the possibilities of this country. I particularly refer to Sir Harry Brittain, a distinguished man who was in Winnipeg in 1909, who was himself a settler in Manitoba and who brought many settlers into certain areas in Alberta at that time. I say that intelligent and constructive publicity at this time throughout the world is one of the best investments that the Canadian people could make.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Stewart (Winnipeg North): No, it is not carried. I am still waiting for an answer.

Mr. Harris (Grey-Bruce): We have conducted conferences, as was suggested by the hon. member for Kootenay West, with the various provincial organizations having to do with immigration. With them and through our own settlement service we are studying the question of how many people we might settle here and there throughout the country. Those studies have not been concluded; but that is the only actual study that has been made or is being made at the moment.

Mr. Picard: I have a keen interest in immigration. By consulting my files I find that, from 1940 up to the present time, I have spoken twice on the matter. My only purpose in rising now is to call to the attention of the committee the speech I made on Wednesday, April 3, 1946. As it represents entirely the opinions I still have on the matter, I will not repeat it. I am just rising for the purpose of calling that speech to the attention of the committee.

Mr. Graydon: Have you any copies of it?

Mr. McLure: I should like to ask one question. Why are the expenses in this item so high? I think the travelling expenses are $261,000 and the total travelling expenses for the whole department are $750,000.

Mr. Harris (Grey-Bruce): In answer to the first part of the question, my recollection is that there were 106,000 different calls made by our inspectors on persons in Canada who had applied for persons abroad. That is the reason for the travelling costs. For that reason we have particularly high expenses for travelling. Every application has to be considered in the office and perhaps an inspection made out in the country by someone with respect to the settlement facilities.

Item agreed to.

Immigration branch—

52. Field and inspectional service, Canada, $3,732,561.

Mr. Harkness: On this particular item there comes up the question which was asked particularly by the hon. member for Kamloops in connection with the fact that the major portion of the money spent with regard to immigration is spent under this particular vote, $3,733,000, whereas, as to foreign service—that is on people outside Canada whose primary duty is to get immigration into the country—we spent only $881,000. It seems to me that there is a disproportion there and that if we are going to get immigration we should have more people abroad, should be sending more people there for that purpose, and should be spending more money there instead of spending the greatest part of the money which we spend on immigration on people within Canada. That is just one general criticism of this thing which strikes one. I should like the minister to make some comment on that matter. While I am on my feet, and in order to save time, may I ask

another question. There is an item here of $220,000 for travelling expenses this year; it was $198,000 last year. I wonder what the reason is for that. What is the necessity for such a large amount for travelling expenses in this department within Canada? We have these immigration officers stationed all across the dominion. I cannot quite see why there should be such a large amount necessary for travelling expenses?

Mr. Harris (Grey-Bruce): I thought we had passed that item after I had given the hon. member for Queens the explanation with respect to travelling expenses. We are on item 53, are we not?

The Deputy Chairman: Item 52.

Mr. Harris (Grey-Bruce): I gave an explanation of the number of calls made in Canada by the inspectional service. They were 106,000 last year. I think these are calls made by our inspectors at the homes of persons who have asked for a particular immigrant. For that reason we have the $240,000. On the other question of the disproportion of expenses between the staff in Canada and that abroad, I have already pointed out that we have to maintain ports of entry in Canada for the purpose of looking after not only the immigrants as such but also persons who commute, tourists and the like, and we have a much larger staff in Canada than we ever will have abroad for that reason.

Mr. Bryce: Can the minister give the information I asked for?

Mr. Harris (Grey-Bruce): I did not quite understand what my hon. friend wanted. I understood that he said we had nine persons employed to deport people.

Mr. Bryce: Of all people I do not know why the minister should not understand me.

Mr. Harris (Grey-Bruce): It is not that, I did not hear.

Mr. Bryce: I want to know why it was necessary to have an increase of from eight to nine deportation officers. The minister told me that 420 people had been deported. I think it is most unreasonable. Can the minister explain to me why it was necessary to have the increase? That is all I want to know. There has been an average of one and a half deportations a day. Does it take nine men to deport one and a half persons?

Mr. Harris (Grey-Bruce): There is a good deal more to it than that. Four hundred and sixteen were deported. Well and good; but there are a good many more who are being held pending deportation or consideration of appeals which they make to the minister. We have found it necessary to add one more to the staff.

Mr. Adamson: How many permanent organizations are there? What is the set-up of these organizations abroad covered by this item?

The Deputy Chairman: We have not passed item 52 yet.

Mr. Stewart (Winnipeg North): Can the minister give a break-down of the reasons for the deportation of these 416 people?

Mr. Harris (Grey-Bruce): The reasons are published in the annual report for the fiscal year. I admit that it is not published yet. I would hope that my hon. friend would not expect me to go through the 416 cases now and give him the reason in each case.

Mr. Stewart (Winnipeg North): I do not expect it now, but I hope to be supplied with the information.

Mr. Harris (Grey-Bruce): I should imagine that there is no particular pattern. I could not say that 200 were deported for the same reason. I could detail it but I would hope that my hon. friend would not ask for it.

Mr. Adamson: Any particular reason?

Mr. Pouliot: Why does the minister not deport Paul Jokelson of Montreal and Camet of Winnipeg?

Item agreed to.

Immigration branch—

53. Field and inspectional service, abroad, $881,792.

Mr. Adamson: I want to ask the minister what permanent organizations he has and where they are situated outside Canada.

Mr. Harris (Grey-Bruce): There are not so many. I could run through them quickly. In the British isles they are at Belfast, Dublin, Glasgow, Liverpool and London.

Mr. Adamson: Can the minister say how many people are at each of these places, and whether they have a complete processing staff in each case?

Mr. Harris (Grey-Bruce): May I complete the list? On continental Europe, Salsburg, Brussels, Paris, Karlsruhe, Athens, Rome, The Hague, Stockholm, Berne; there is also Hong Kong. I will give my hon. friend a statement of the number of employees in each case.

Mr. Harkness: I have one question. I see an item here for repatriation of wives and dependents of members of the Canadian armed forces, $3,000. It was $5,000 last year. I would have thought that all wives and dependents of members of the Canadian armed forces would have been repatriated by

this time. I was rather surprised to see that item. I wonder whether the minister can tell us what the reason is that we still have a vote of that kind. How many of these people were repatriated last year, and were covered by the $5,000?

Mr. Harris (Grey-Bruce): We still have a few that we pay to bring here, and I think that is all that needs to be said.

Mr. Harkness: I do not think that is an answer. I asked, what is the reason that we are still repatriating wives of members of the Canadian armed services. I would have thought they would have all been here before this time. How many were repatriated last year?

Mr. Harris (Grey-Bruce): I am informed the reason is that in some cases they have not been able to make arrangements up until now for settlement in this country and they are still coming forward, and we have a vote to cover the cost. On another occasion I will give my hon. friend the figures of those brought in last year.

Mr. Adamson: The minister was going to give me a break-down of the stations abroad.

Mr. Harris (Grey-Bruce): I will do that.

Item agreed to.

Indian Affairs branch—

54. Branch administration, $242,050.

Some hon. Members: Eleven o'clock.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up Bill No. 310, to authorize provision of moneys to meet the deficit of the Canadian National Railways. The resolution passed today. Then we will go into supply and consider for some time the estimates of the Department of Citizenship and Immigration with the hope of concluding them quickly.

Mr. Graydon: The minister has a melancholy tone in his voice.

Mr. Fournier (Hull): I am so anxious to proceed with the estimates of public works; after that labour, secretary of state, and the remaining items of veterans affairs.

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

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

48. Departmental administration, $90,620.

Citizenship—

49. Citizenship registration branch, $193,035.

50. Citizenship branch, $233,585.

Immigration branch—

51. Administration of the Immigration Act, $750,425.

52. Field and inspectional service, Canada, $3,732,561.

53. Field and inspectional service, abroad, $881,792.

HOUSE OF COMMONS

Friday, June 16, 1950

The house met at eleven o'clock.

PUBLIC ACCOUNTS

Second report of standing committee on public accounts.—Mr. Picard.

STATUTE LAW AMENDMENT

PROVISION THAT CORPORATE CROWN AGENCIES MAY SUE AND BE SUED WITHOUT FIAT

Hon. Stuart S. Garson (Minister of Justice) moved for leave to introduce Bill No. 313, to amend the statute law.

Some hon. Members: Explain.

Mr. Garson: Mr. Speaker, the purpose of the bill is to provide that corporate crown agencies may sue and be sued in provincial courts of competent jurisdiction without a fiat.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Mr. Garson moved the second reading of the bill.

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

On section 1—*Agent of His Majesty.*

Mr. Ross (Souris): What about the bill, Mr. Chairman?

Mr. Smith (Calgary West): I know that you do not know what is in section 1, Mr. Chairman, and neither do I. May we have the bill?

Mr. Garson: While I appreciate the magnificent co-operation of members in rushing my legislation through in this way, I do not think it would be fair to those members who are particularly interested in the terms of the bill to proceed without having copies before them. I therefore suggest that the committee rise and report progress.

Section stands.

Progress reported.

JUDGES ACT

AMENDMENTS RESPECTING SALARIES, TRAVELLING ALLOWANCES, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, by making provision for the salary of one additional judge of the Supreme Court of British Columbia; the salary of one additional county and district court judge for the province of Ontario; the salaries of district court judges of the province of Newfoundland, and for increased travelling allowances to judges of a superior or county court or district judges in admiralty of the exchequer court attending at any place other than that at which or in the immediate vicinity of which they are by law obliged to reside.

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

Motion agreed to.

HEALTH INSURANCE

PRESS REPORT OF INTERVIEW GIVEN BY MINISTER OF NATIONAL HEALTH AND WELFARE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to ask whether the Minister of National Health and Welfare is correctly reported in a Canadian Press dispatch from Vancouver which states that in an interview at the coast he said he was "against any national health insurance plan for Canada."

Hon. Paul Martin (Minister of National Health and Welfare): As I subsequently stated to the same newspaper, that report is not accurate.

Mr. Knowles: Good.

ATOMIC ENERGY

INQUIRY AS TO RELEASE OF INFORMATION FOR CIVILIAN PURPOSES

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Press dispatches last evening indicated that Canada, the United Kingdom and the United States are about to make a wide release of

atomic energy information for civilian purposes. Can the Minister of Trade and Commerce tell us whether or not that report is correct?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The classification board on atomic energy has been meeting recently. I have not seen the results of those meetings, but I think the most that would be done at this time would be some broadening of the classification regulations.

Mr. Green: Nothing as extensive as indicated in the reports?

Mr. Howe: No.

NORTH ATLANTIC COUNCIL

PERMANENT COMMITTEE—INQUIRY AS TO APPOINTMENT OF CANADIAN REPRESENTATIVE

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the Prime Minister if the Canadian appointment has yet been made to the permanent committee of the North Atlantic council?

Right Hon. L. S. St. Laurent (Prime Minister): No permanent appointment has yet been made.

FLAX

QUESTION AS TO FLOOR PRICE FOR 1950 CROP YEAR

On the orders of the day:

Mr. J. A. Ross (Souris): Has a decision been reached yet as to whether a floor price will be established for flax for the 1950 crop year? It is now past the seeding season.

Right Hon. C. D. Howe (Minister of Trade and Commerce): No decision will be made until the end of the present crop year.

COAL

SUBSIDIES ON MOVEMENT INTO CENTRAL PROVINCES

On the orders of the day:

Mr. A. L. Smith (Calgary West): I should like to direct a question to the Minister of Trade and Commerce. Will he make a statement with respect to subsidies on coal moving into the central provinces? Only ten minutes ago I heard that it is contemplated that very shortly the present subsidies may be dropped, and I believe a delegation is here from Alberta now interviewing the coal board. Could we know the facts?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The present subsidy policy for western coal was established in 1932, and there has been no change since. The purpose of the subsidy is to equalize the cost of Alberta coal with that of United States coal, up to a maximum subvention of $2.50 per ton. It is not contemplated that the subsidy provision will be changed. The delegation from Alberta are concerned with the advice they have received from the railroads that the special rail rate on coal is likely to be varied.

Mr. Smith (Calgary West): I realize that; and what is the situation there?

Mr. Howe: I do not know.

Mr. Smith (Calgary West): On what date are the railways returning to the old rate?

Mr. Howe: I believe it is July 1. The matter of freight rates is one over which the government has no control.

EXTERNAL AFFAIRS

ECONOMIC ASSISTANCE TO SOUTH AND SOUTHEAST ASIA—SYDNEY CONFERENCE

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the Minister of Fisheries when he expects to be able to report to the house on the Sydney conference?

Hon. R. W. Mayhew (Minister of Fisheries): I do not know when the house will have an hour and a half to spare to listen to my report. However, I shall try to condense it a little more, and give it when the external affairs estimates are under consideration.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 310, to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1950, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: This is the standard bill which is brought in every year—

Mr. Macdonnell (Greenwood): On a question of privilege, Mr. Speaker, the bill has not been printed yet; I am not sure whether the minister is aware of that fact. We have not seen it, and I suggest that this motion should be deferred.

Mr. Abbott: If my hon. friend had not been in such a hurry with his question of

privilege I was going to say that I understand the bill is on the way from the printing bureau; but I have no desire to ask the house to consider it until it has been distributed.

Mr. Macdonnell (Greenwood): The minister had such a purposeful look on his face that I thought I should get my point in first.

Mr. Speaker: Is it the pleasure of the house that the motion stand until later this day?

Mr. Abbott: I will not be available later this day. I think it will have to go over until the next sitting.

Mr. Speaker: Next sitting of the house.

Motion stands.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian Affairs branch—

54. Branch administration, $242,050.

Mr. Harkness: In view of the fact that the new Indian Act has been introduced and we shall be discussing it shortly, I do not propose to make any general remarks at this point. However, I think it might expedite the consideration of these items having to do with Indian affairs if the minister would give us a review of what has been accomplished in the improvement of welfare conditions on the reserves during the last year, what is proposed for the coming year, what has been done to increase school accommodation, and what other improvements are being made.

Hon. W. E. Harris (Minister of Citizenship and Immigration): If the hon. member will permit I should like to make a short statement with respect to education and welfare, and perhaps we can leave any other subjects until the Indian Act amendment bill is up for second reading, or answer specific questions on the relevant items in the estimates.

Shortly before the Easter recess I tabled an annual report under section 113 of the Indian Act which showed that, during the fiscal year 1949-50, 310 Indians had been enfranchised. During the same period around 6,000 Indian babies were born. This indicates that the number of Indians accepting enfranchisement is much lower than the natural increase in Indian population, and this must be borne in mind in welfare planning and education.

In such planning the recommendations of the joint parliamentary committee on the Indian Act are of great value to the department. As many members know, this committee sat in 1946, 1947, and 1948, during which time it held 129 meetings. In addition, the committee visited most Indian reserves in eastern Canada. The bill which I had the honour to present on Wednesday, June 7, is in many details the result of the good work of that committee.

Two government activities that are of primary importance to the welfare of Indians are those relating to health and education. Health now comes under the Department of National Health and Welfare, and the substantial increase in the amount now voted for Indian health services compared to that voted ten years ago is an indication of the importance attached to the problem by the government and parliament.

So far as education is concerned, I am glad to report substantial improvement. During the past four years, roughly the post-war period, total enrolment in Indian schools has risen from 19,622 to 23,409. Attendance has improved from a percentage of 79·91 to 88·23. In addition to those attending Indian schools, 1,180 Indian children were registered in provincial schools in elementary grades, and 465 in secondary grades, an over-all total of 25,054 Indian pupils in educational classes. Those attending school in grades above grade 8 number 834. To bring educational facilities to as many children as possible, the government approved a school-building program extending over a period of five years. This year, 1950, will be the third year of this construction plan. The number of schools erected can be illustrated by the fact that the government employed 285 day school teachers in 1946, and is now employing 450. The provision of over 100 new schoolrooms is planned for this year. When it is realized that each new schoolroom has to be equipped, staffed, and maintained, it will be appreciated that the cost of operation must increase, and that this year's estimates have been kept down.

In spite of an increasing teacher shortage, the standard of the teaching staff has been improved. The number of non-qualified teachers has been reduced in two years to one-fifth of the staff instead of one-third, and this change is continuing. During the same period the percentage of teachers with first-class certificates has risen from 27 to 40. Day school attendance has improved steadily as a result of family allowances, the higher calibre of the teachers employed, improvement of classroom techniques and equipment, and the awakening interest of Indian parents. In accordance with recommendations of the joint parliamentary committee, the department has

been directing its efforts to having more Indian children admitted to provincial schools.

It is the policy of the department to alleviate hardship of those unable to provide for themselves, and to encourage Indians to be self-sufficient through the provision of occupational assistance. Approximately 2,000 Indian houses were repaired, and approximately 1,300 new houses erected during 1949-50, the extent of assistance in each case depending on the ability of the Indian to share in construction. Provision is made in the estimates for similar work in 1950-51, the number of new houses and other works and structures totalling 894.

Assistance is provided for Indian fishermen and farmers by the acquisition of stock, equipment and seed; for the blind; for the rehabilitation of tubercular Indians and their dependents following discharge from hospital, and for the indigent.

During the past fiscal year, provision was made for the employment of nine social workers. This is something of a new venture. It is the function of these workers to conduct surveys on reserves with reference to social conditions, particularly in matters of delinquency, destitution and the care of the aged. They will encourage the formation of homemakers clubs, and will assist in the establishment of young people leaving schools. An important phase of their duties will be liaison with municipal and provincial welfare agencies and local offices of the Canadian National Institute for the Blind.

In keeping with government policy of careful attention to the developing needs of the Indian population, I am pleased to inform the house that, effective July 1 of this year, the special allowance payable to aged Indians seventy years of age and over will be increased from $8 to $25 per month.

The present $8 monthly cash payment is supplemental to regular relief, and is intended to enable the aged to purchase extras. The additional cash allowance will, of course, supersede present relief issues. The increased payment represents a new departure in that many aged Indians will be entrusted with the management of these funds, and be responsible for their own needs. This development is therefore a significant step toward granting the Indian a greater measure of responsibility for the direction of his own affairs. To judge the amount of this payment in true perspective it is necessary to bear in mind that aged Indians enjoy certain special privileges, amongst which I would list complete medical care and residence on tax-free land.

[Mr. Harris (Grey-Bruce).]

Mr. Harkness: I am very glad, as I am sure other hon. members are, to hear this statement. I am particularly pleased to hear that the old age allowance for Indians is to be increased to $25 per month. The fact that those aged Indians have not enjoyed the right to the old age pension in common with other aged Canadians, has in the past been an anomaly. It certainly is good news that the situation has been corrected. The increase in the number of Indian children attending school is also satisfactory. I am glad to hear that the building program is going along so well.

I should like to ask the minister how many children are attending each of the grades from seven to twelve inclusive. One of the great deficiencies of Indian education in the past has been the fact that few Indians have gone into the higher grades. The result has been few of them have received the training which would enable them to secure jobs in competition with white people. I trust that situation is gradually being overcome. It is bound to be a slow process, but I believe that with the improvement in educational facilities that has taken place, and the further improvements which I understand are in prospect, there should be an increase in the number of Indian children attending the higher grades. This would equip them to compete with the white population for employment, and thus enable them to improve their standard of living.

The minister said that 310 Indians were enfranchised. Will he tell us whether those Indians were enfranchised voluntarily? In other words, did they ask for enfranchisement or were they enfranchised against their will? Were they just thrown out of the reserve and told they were citizens and had to look after themselves? Perhaps there are some in each class; can the minister tell us how many were voluntarily enfranchised and how many were involuntarily enfranchised?

Mr. Harris (Grey-Bruce): All 310 were voluntarily enfranchised. The figures concerning school attendance in the various grades are set out in the annual report of the Indian affairs branch for the year ending March 31, 1949. I could give some tentative figures with respect to the present time, but I have not the figures for grades 4, 5, 6, and 7, which I shall secure and give to my friend.

Mr. Harkness: It is just the ones from seven to twelve.

Mr. Harris (Grey-Bruce): I have only grade 8, which is 692. In the statement I made a moment ago I said those attending schools in grades above grade 8 number 834.

Mr. Harkness: But you have no break-down to show how many are in each grade?

Mr. Harris (Grey-Bruce): No. I will let my hon. friend have that.

Mr. Gibson: Is this money to be provided in the supplementary estimates? I notice that the welfare branch is $600,000 higher this year.

Mr. Harris (Grey-Bruce): Yes, partly in the supplementary estimates.

Mr. Bryce: I am delighted to hear from the minister that the Indians are going to get this $25 a month of their old age pension. It is the best news I have heard for a long time with regard to Indians. I have not had an opportunity to study it. I did not know that it was coming. I do not know whether there will be a means test attached to it or not, but I hope for the best. I am sure that the rest of the members who were on the Indian affairs committee and sat for three years will be pleased to see the results of their labours. Every member of the committee did his utmost to bring to the attention of the government—and that included those on the government side as well—the hardships suffered by and the treatment accorded to the Indians in the past. I am going to reserve what I have to say until the Indian Act is being considered, in order that I shall not be covering the same subjects twice, but there are one or two questions I want to ask in passing; they pertain to the administration of the department.

Has the minister given any further consideration to the setting up of a claims commission? Every Indian who comes to your office or to mine digs back into the past and produces some agreement that he obtained from the King of France, or perhaps the King of England or Queen Victoria; and he tells you that it has never been fulfilled. It is necessary that we clear up the thinking of the Indian. If he still teaches his grandson that we owe him something, then we should straighten that matter up. The only way that can be done is by a claims commission which will look into these matters. I am not going to refer to any province other than Manitoba, although I have travelled over the reserves in nine different provinces. The Indians immediately lay on my desk the agreement they got in 1871, or something else, and claim that it has not been fulfilled. I do not know how the minister can fulfil it unless he sets up a claims commission. We have a new minister and perhaps he has not had the opportunity of looking into it. I hope that he will see whether it is possible or feasible to do that sort of thing, so that we may let the Indians know where they really stand.

I had some Indians here this week to see me; they produced some documents that were supposed to be written in 1792. We have to get this thing straightened up. When it is, I know that the Canadian government will get credit for the way in which they have handled the Indians instead of the criticism there has been for a great many years.

I wonder if the minister can tell me whether any more houses have been built at Norway House—that is, houses for the old people. Some were built when I represented that part of the country, and they were a success so far as I could see when I visited them. Has the administration carried out its intention to build more houses at Cross lake and in other places in the north? Will the minister indicate also what the situation is with regard to the Indians in Newfoundland, because evidently they are not on reserves there as they are in other parts of Canada. Has the department taken further steps to see to it that the Indian agent is living nearer the reserve than he has been living in the past? I drew the attention of the minister's predecessor to the fact that sometimes the Indian agent was living 200 miles from the reserve. Has that situation been corrected? I think my other questions can wait until later.

Mr. Harris (Grey-Bruce): With respect to the claims commission, perhaps we could discuss that matter on the bill. At Norway House I understand that we have a provision for twenty houses. With respect to Newfoundland Indians, the situation is this, as I think my hon. friend knows. They are not on reserves, and except perhaps for one minor matter they have the same rights as the whites. No decision has been reached yet as to whether we should take them under the jurisdiction of this department or rather leave them to be administered, if necessary, by the provincial government.

Mr. Bryce: You do not recognize them as treaty Indians?

Mr. Harris (Grey-Bruce): No.

Mr. Higgins: Is not some definite provision made now by the government for health care for the Indians?

Mr. Harris (Grey-Bruce): In Newfoundland?

Mr. Higgins: Yes.

Mr. Harris (Grey-Bruce): Perhaps my hon. friend could ask the Minister of National Health and Welfare that question.

Mr. Higgins: Will the minister ask him?

Mr. Harris (Grey-Bruce): Yes, I will.

Mr. Cruickshank: I am pleased that a member from this side of the house might be privileged to ask a question.

An hon. Member: Oh, go on and talk.

The Deputy Chairman: Order. When the hon. member rises, he should say "Mr. Chairman" to indicate that he wants to speak, and not simply stand up.

Mr. Cruickshank: I stand corrected, Mr. Chairman; and I ask, Mr. Chairman, that I may be permitted to ask a question of the minister. But first of all, Mr. Chairman, I should like to congratulate the minister on the statement that has been made today. But above all, Mr. Chairman, with all due respect to the minister, I think a great deal of the credit should go to the hon. member for Essex West, the most efficient chairman of the committee, who toured every part of Canada. I think that he should be accorded that credit. I am not small-minded, as are some other people. The hon. member for Selkirk himself contributed a great deal on behalf of the Indians. The question I want to ask, Mr. Chairman, and which I request the right to rise and ask as a Liberal member on this side of the house, is this. Will the Indians be allowed any preference as to the stores from which they wish to buy? My experience has been, in my own riding at least—I can speak only for my own riding—that with respect to the meagre supplies they were getting they were told that they had to buy from a certain store. I want to know whether they will be allowed to buy in the cheapest store in the freest manner.

Mr. Fraser: That sounds like patronage.

Mr. Harris (Grey-Bruce): I am not familiar with the condition that the hon. member for Fraser Valley has mentioned. So far as the allowance to aged Indians is concerned, I am quite sure that when they receive money they will be free to purchase goods in the same way as anyone else may purchase them.

Mr. Fulton: No.

Mr. Cruickshank: No.

Mr. Gibson: Certainly.

Mr. Fulton: From my experience in my own constituency I can confirm what the hon. member for Fraser Valley has said.

Mr. Harris (Grey-Bruce): I said I was not familiar with conditions there. What I stated was with respect to the future of these allowance payments.

May I complete the answer to the hon. member for Calgary East? The break-down by grades is as follows: Grade 8, 692; grade 9, 447; grade 10, 139; grade 11, 99; grade 12, 46; grade 13, 5. There are 98 in special advanced courses.

[Mr. Harris (Grey-Bruce).]

Mr. Cruickshank: May I follow up the point I have made? I congratulate the minister, and particularly the hon. member for Essex West, on the new legislation that has been brought down.

So far as my riding is concerned, Indians have been compelled to buy from certain stores, irrespective of cost. When they came to the Indian agent for the meagre allowance they were given they were compelled to buy from certain stores within my riding. The hon. member for Kamloops has borne me out in that. That is most unfair. They should be allowed to buy anywhere they please, as you and I do. I know it does not concern you, Mr. Chairman, as much as it does me, because of your responsible position, but I like to buy from the cheapest store I can find. The Indians should be given that same privilege. They should not be dictated to or directed by me as a member of parliament or anyone else as to where they should go to buy their goods. They should be able to buy at the cheapest store.

Mr. Gibson: I think I have cashed far more of these relief cheques than any other member who has ever been in the House of Commons. The Indian has always been given a slip which listed the quantities of goods that he would be supplied with. The price was not designated. The store was usually the one which was closest to the Indian village. Therefore we received the business from the Indians on their own volition.

I have always found the Indian agents very efficient. If they found that an Indian was being charged too much for a 49-pound sack of flour, the Indian agent himself was the first one to step in, in the interest of the government, and say to the Indian: "Probably it would be advisable for you to take that slip to a store that does not overcharge"—not the Indian, but the Indian department; because after all it was always the quantity of goods that was given to him, not a specific amount for the goods.

I am quite sure now that when the $25 a month cheque is issued the Indians will purchase their supplies wherever they see fit. Certainly that has applied to these family allowance cheques. They have been able to take them wherever they please.

Mr. Cruickshank: That may be the experience in the hon. member's riding, but I am speaking of my riding. It has not been the practice in my riding. The Indians have to buy from a certain store. I do not care about Comox-Alberni, but I am right about the Fraser Valley. The Indians had to go to a certain store, whether he liked it or not, or whether it was cheaper or not. He had to buy at that certain store.

Mr. Gibson: He received a quantity of goods. If it was a pound of tea, he received a pound of tea.

Mr. Cruickshank: I do not wish to argue with the hon. member for Comox-Alberni, but a pound of tea may cost 73 cents in one store and 74 cents in another. The hon. member for Comox-Alberni has forgotten that. So far as I am concerned, I am speaking only of my own riding. I demand that the Indian be given the right to buy at the store he himself chooses, not one that some other individual chooses.

Mr. Blue: Mr. Chairman, I was pleased when this government saw fit to set up the Department of Citizenship and Immigration, and even more pleased when they appointed the hon. member for Grey-Bruce as its minister. I wish to express not only my own congratulations but the good wishes of the electors of my constituency as well. The hon. minister is my neighbour and colleague, and I know that all problems confronting this department will be dealt with seriously and fairly.

The constituency which I represent is largely rural, with many progressive towns and villages, and they are truly happy people. Our farmers are second to none in Canada, or for that matter in the world; they are breeders of choice livestock as well as producers of excellent agricultural products.

Our towns and villages keep abreast of the times in modern manufacturing, and are producing commercial goods which find ready markets throughout the world. Labour relations are of the standard where employees and employers settle their differences, if any, in an amicable way.

In the constituency of Bruce we have two Indian reserves. These Indians are progressive. A large number are expanding in modern farming; many are employed in the industrial factories of our towns, and of course many more are engaged in fishing and trapping. I am pleased that this department is taking steps to improve the position of the Indian in the welfare of the country. We must not forget these people blazed many of the early trails in this country. The same sun shines on them, the same rain rains on them, as on the rest of us. Why should not the same rights be given them? When the call came for them to don the uniform in defence of our country, they did so in no small numbers, and I shall be glad to support any move that would raise their status.

May I add that I was pleased with the announcement the minister made this morning. I am sure it will improve the living conditions and educational opportunities of Indians throughout the country.

The constituency of Bruce extends for 140 miles as a peninsula with a coast line of over 200 miles. Lake Huron borders its shores on the west and the Georgian bay on the eastern side of the peninsula.

The Deputy Chairman: Order. The hon. member knows that he must relate his remarks to the item under discussion, namely Indian affairs.

Mr. Graydon: Mr. Chairman, he is an auctioneer, and he is trying to do a good selling job for his county.

Mr. Fraser: The minister mentioned the fact that an aged Indian had full health service. Is that whether he has an income or not? I believe the health service now hinges on whether an Indian is able to pay part of it. That applies to dental service.

Mr. Martin: No.

Mr. Fraser: Oh, yes. If the Indian is able to pay part of his dental services he is compelled to pay part of them.

Mr. Martin: Perhaps we can deal with that when we come to my estimates.

Mr. Fraser: When does full coverage start for the Indian? Does it start at seventy, or—

Mr. Harris (Grey-Bruce): There are a few Indians seventy and over whose circumstances are such that they can afford to pay for this, and it is commonly known because of the nature of their income and their property. But generally the statement that I made is correct, with perhaps few exceptions.

Mr. Fraser: This would start at seventy years of age?

Mr. Harris (Grey-Bruce): Yes.

Mr. Fraser: Is the $25 payment to be made monthly, or will it be split up?

Mr. Harris (Grey-Bruce): Monthly.

Mr. McIvor: As Chief Sky of the Chippewa band I express the appreciation of that band for the consideration that Indian affairs are being given this year. But there is one thing that troubles us in the Chippewa band, namely, the white man with his beer parties. The white man is the curse that we have.

Mr. Noseworthy: What provision is being made in the schools, in grades 9 to 12, for vocational and commercial education? About two years ago I visited an Indian school in which the pupils were anxious to take commercial work. The teacher was willing to teach it, but the department was not willing to provide even a typewriter.

Are there any Indians taking grade 13 work; if so, how many?

Perhaps the minister would prefer to answer my next question when we are discussing the bill. Is any provision being made for restoring parts of Indian reserves taken from them by the white people by devious means through the years, and now settled by those people?

Mr. Harris (Grey-Bruce): I have some figures respecting the numbers in grade 13, which I shall give the hon. member in a moment.

We are making provision for commercial classes wherever we think there will be sufficient demand for them. Indeed, we would hope that pupils in schools would take that kind of training.

Perhaps I might answer the third question when we are discussing the bill.

Mr. Bryce: Will the minister elaborate on the pension the Indians are to get at age seventy? Do I understand the condition is that they will not get it before that time? There are bound to be conditions; I have never seen anything yet from a government that did not have attached to it certain conditions. What are they?

Mr. Harris (Grey-Bruce): The same conditions generally attach to the $25 payment as now attach to the $8 payment, namely that a single Indian has a permissible income of $120 and will receive $300, making a total of $420. The married Indian will have a permissible income of $600 and will receive a pension of $300, so that the total income will be $900. In respect of a married couple, the permissible income is $300, and the maximum pension will be $600.

Mr. McLure: If the minister has a report in respect of Lennox Island, I should like to ask a few questions. Has he that information?

Mr. Harris (Grey-Bruce): Generally, yes.

Mr. McLure: How many Indians are now taken care of at Lennox Island? Has the new school there been fully completed, and if so, at what cost? Has the superintendent's house been fully completed, and at what cost? It was to be completed over a year ago, but I do not think it was. Is the pension the Indians get under the patronage system, as was pointed out by the hon. member for Fraser Valley?

Mr. Cruickshank: No.

Mr. McLure: At Lennox Island all the money handed out was under a patronage system.

Mr. Cruickshank: On a point of order. I have handed no money out; it was the Tories who did that.

[Mr. Noseworthy.]

Mr. McLure: I am not saying what the hon. member did. The system they have is a patronage system, in that when the Indian comes in to get his supplies he must have a permit, and the permit states where he is to go to make his purchases.

Mr. Cruickshank: No.

Mr. McLure: That same provision should not apply in connection with this pension.

Mr. Harris (Grey-Bruce): There are 210 Indians on Lennox island. The school has been completed. I have not the grand total of the cost, but I shall give the information to the hon. member. The rest of his statement was, shall I say, an opinion about something rather than a question of fact.

Mr. Cruickshank: I should like to ask a question, but before doing so may I correct an impression left by one of my junior colleagues over here—that the Indians buy where they like. That is absolute nonsense so far as the lower part of British Columbia is concerned, and I think also so far as the interior is concerned. They have never yet been represented by people who will fight for their interests.

My question is this—and let me say that I can take it and I can give it back—that in my riding we have a reservation of about 5,000 acres at Seabird island. I believe about 2,000 acres are being used by the Indians. [*Inaudible interruption.*] Well, I may have another Indian in my riding, but thank God I haven't got the same class of Irishman there.

Mr. Knowles: The kind who talks one way and votes the other.

Mr. Cruickshank: Yes, talks one way and votes both ways. I did that by mistake once, but he did it deliberately. And now if you will leave me alone I will get on with my question.

I am referring to a section of Kent municipality, consisting of about 5,000 acres, of which only two or three thousand are being utilized by the Indians. We would like to transfer about 2,000 acres to another branch of government so that it may be utilized for a penitentiary site. Is there any reason why this could not be done? Does it require the unanimous vote of the band, or can it be done by the department?

Mr. Harris (Grey-Bruce): It can be done by a majority vote of the Indians of the band, followed by the approval of the department. If the hon. member will submit the case we will consider it, and perhaps, after negotiation with him, have it submitted to the Indians.

Mr. Gibson: The increase to $25 a month for Indians over seventy years is a tremendous step forward. Has any consideration been given to increasing the value of relief slips, which were formerly about $8 a month, to Indians from sixty-five to seventy years? They are still aged and destitute Indians.

Mr. Harris (Grey-Bruce): The relief slip is designed to provide a certain standard of food, clothing and the like for those in need. I believe no consideration need be given to an increase, because we think the standard is now adequate for that purpose. Other needs of Indians may be met in another way.

Mr. Knowles: Will the minister indicate the means test provision respecting the $8 for those seventy years and over? I have in mind the figures he has just given, $120 a year for single Indians and $300 for a married couple for the $25 pension. What were the comparable figures for the $8 allowance?

Mr. Harris (Grey-Bruce): Just the same.

Mr. Knowles: How many Indians over seventy were able to qualify for the $8 allowance, and what relation does that number bear to the total number of Indians seventy years of age and over?

Mr. Harris (Grey-Bruce): Something over 400 Indians are receiving the $8 at the moment.

Mr. Fraser: In the whole of Canada?

Mr. Knowles: How many Indians are there seventy years of age and over?

Mr. Fraser: It is not as good as it sounds.

Mr. Harris (Grey-Bruce): We shall have to look that up.

Mr. Knowles: The point I am making is that we have to think twice before we applaud this increase if there is the same means test that was applied before and will result in only some 400 getting the increase.

Mr. Harris (Grey-Bruce): It is my error; it is 4,300.

Mr. Knowles: That is a little better, but we would still like to see that figure set against the total number of Indians seventy years of age and over.

Mr. Harris (Grey-Bruce): I will give the hon. member that information.

Mr. Fraser: When the minister is getting those figures will he let me have them for the two Indian reserves in the Peterborough riding?

Mr. Harris (Grey-Bruce): I will.

Item agreed to.

Indian Affairs branch—

55. Indian agencies, $2,657,990.

Mr. Bater: First of all I should like to concur in the remarks of other speakers this morning that after the statement made by the minister it now appears that our Indians are at last going to get a new deal. There are two questions I should like to have the privilege of asking the minister now, because I intend to leave in about ten minutes for a meeting. First, is there an appropriation in these estimates to replace the boarding school that was destroyed by fire at Delmas in the Indian agency of Battleford? Second, what is required of an agricultural society to qualify for a grant? I notice that the grants to agricultural societies range from $50 to $500. What have they to do to qualify, and how are grants awarded?

Mr. Harris (Grey-Bruce): There is no appropriation for the school referred to, because, among other reasons, we are building all the schools that we possibly can handle at the moment. As to the inquiry about grants to agricultural societies, the requirements are roughly that there shall be a prize list and space allotment to Indians, and that the fair shall be of general interest to Indians in the matter of handicrafts and garden products. The amount is based on what the fair authorities are prepared to spend on Indian exhibits. It is usually greater than the amount of the grant.

Mr. Fulton: The minister has indicated that additional work on education is being done. Under the heading of Indian agencies can he tell us what actual work is being carried out or is contemplated that accounts for an increase of $71,000 in travelling expenses, from $141,180 to $212,325?

Mr. Harris (Grey-Bruce): Is the hon. member referring to item 55?

Mr. Fulton: Indian affairs branch, Indian agencies.

Mr. Harris (Grey-Bruce): With an increase of $15,000?

Mr. Fulton: No; on page 105 it appears that travelling expenses are up by $71,000. What additional work are the agencies undertaking that makes that necessary?

Mr. Harris (Grey-Bruce): One of the complaints that has been made in the past about Indian agents is that they tended to stay in their offices and not visit the Indians. There has been a decided increase in the activity of the agents in the past year or so on account of the increased building program and

various other matters. We hope the agents will get out and we are providing the means whereby they can.

Mr. Fulton: Have you given encouragement to them to get out and do so?

Mr. Harris (Grey-Bruce): Yes.

Item agreed to.

Indian Affairs branch—

62. Fur conservation, $339,680.

Mr. McLure: I should like to ask the minister a question or two about the item for fur conservation. I suppose it refers to conservation in areas that have been taken over from the different provinces. I should like to know what is the amount of revenue from fur conservation, and what is meant by "assistance to provinces". I should like to know what provinces are enjoying the assistance amounting to $165,000. Then there is another item of $40,500 for trap lines and fur blocks. I should like the minister to favour the committee with a short statement on fur conservation.

Mr. Harris (Grey-Bruce): The item of $40,500 is for the provision of trap lines and the like for the individual Indian who is going to benefit therefrom. The other items relate to the fur conservation programs which are conducted in co-operation with the provincial governments. In fact they are conducted by them, but with our assistance. We have not taken them over from any province. They perform the administration, and there is the closest co-operation with the federal government through this department contributing sums of money for these purposes. The provinces with which we have agreements are Manitoba, Saskatchewan and Ontario. The contribution referred to represents our share of the respective agreements. As to revenue from these schemes, if the hon. member means revenue to this department or to the government of Canada, there is none. Revenue is received from the sale of the pelts, and after deducting certain costs with respect to the provincial governments concerned the net goes to the individual trapper or association of trappers who are a part of the scheme.

Mr. McLure: Have you any idea how many skins were taken last year? The report was current that there were over a million and a half. If there were, there should be substantial revenue for somebody.

Mr. Harris (Grey-Bruce): I have not available the figure as to the total number of skins. I can give the details to my hon. friend.

Mr. Knowles: Since this is the last item in the minister's department, may we have some understanding as to when we shall receive answers to the questions left unanswered? My question does not relate to fur, but to old age pensions.

Mr. Harris (Grey-Bruce): The hon. member will get the answers as soon as I can give them to him, but in any event before the supplementary estimates are called.

Mr. Knowles: When the minister is getting the additional information with regard to old age pension allowances to Indians, will he also indicate how many of the 4,300 receive the full $8, and how many have that amount cut down by the application of the means test?

Mr. Harris (Grey-Bruce): They are all getting $8. That was the figure I gave my hon. friend.

Mr. Gibson: When does this $25 start?

Mr. Harris (Grey-Bruce): July 1.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

288. Departmental administration, $350,605.

Mr. Knowles: I want to ask the minister a question about the elevators in this building. As he must know, they have been in operation for quite a long time, and I am wondering whether any reports have been made recently as to whether or not they should be replaced. Frequently we come to an elevator and find that it is not running. This morning I came upon two that were not running, and when I went to a third, the operator invited me to try to open and close that inner door which he pushes back and forth with his right hand. He also invited me to operate the lever which he controls with his left hand and which opens and closes the outer doors. He did not have me run the elevator; I have no licence to do that. Frankly the strength required to operate those doors made me realize that it would be a pretty tough job to have to do all day. Has there been any recent investigation into the question whether or not the elevators in this building should be replaced?

Hon. Alphonse Fournier (Minister of Public Works): I must admit that there has been no investigation into the question of replacing the elevators. We all know they have been in operation a long time.

Mr. Knowles: And they get a great deal of use.

Mr. Fournier (Hull): They have had a great deal of use, but we are told they are good for some years yet. The elevators are maintained and repaired by a company; in this case I believe it is the Otis Elevator Company, one of the largest in the country. They have

their men here all the time going over all the elevators. I could instruct my officials to have an investigation made to see whether we should go to the expense of replacing them at this time.

Mr. Knowles: Some time when the minister has a few minutes to spare I invite him to go on one of these elevators and try operating the doors I have mentioned. It does seem to me that in fairness to the operators something should be done to make it possible for them to carry out their duties with a little less physical effort than is presently required. I will make an appointment for the minister.

Mr. Fraser: Since we are discussing matters having to do with this building I should like to mention a few points, though I had not intended to discuss them at all. Sitting in the public accounts committee and looking out over the library we can see trees about four feet high growing on the roof of that building. I believe there must be crevices containing dirt in which those trees have their roots. It would seem that the whole building needs to have the masonry pointed.

Some time ago the minister said he was going to get into his white overalls and fix all the clocks in the building. He may have done so, but they are all out of order again. Further, I believe the minister looks after the driveways outside the building. It is not fair to ask any truck driver to try to get to the back door of this building by the narrow driveway that leads to it. That situation should be remedied, because if the truck is of any size the driver has to run on the sidewalk for quite a distance, and then has a hard time turning.

I should like to know if the minister has anything to do with snow removal from these grounds.

Mr. Fournier (Hull): No.

Mr. Cruickshank: I want to ask the minister a question concerning a matter which has been brought up for some years by the hon. member for Macleod and myself. I understand we have a committee sitting now studying the national research council. I believe we have some great scientists in Canada, and certainly we have exported quite a few to our great neighbour to the south. A small province like British Columbia, a little country like Yugoslavia, can have proper acoustics in their parliaments, but we cannot. Each year we have asked Mr. Speaker to do something about it. Not long ago we sent the then Speaker, and his assistant, I believe, to Europe to study developments there. It cost this country a good deal of money to give those gentlemen a very pleasant trip, but nothing was accomplished by it. If British Columbia can have a loud speaker system; if the state of Washington can have it, and the state of California, why cannot something be done about it here? I think it is tommyrot for the government to say they cannot do anything about it. If that is so they should fire some of their officials and get some competent men such as we have in British Columbia, so that we may have proper acoustics in this chamber. It may be all right now for an hon. member who sits right in the centre of the chamber, but it is not all right for those who sit at the far end. Someone comes three thousand miles to sit in the gallery and listen to what is going on in parliament, but not a word can be heard with the exception of speeches by the leader of the opposition and the member for Fraser Valley. I am sorry to say they are the only two who can be heard.

Mr. Gibson: And that gives a wrong impression.

Mr. Cruickshank: Quite so. But I am serious about this. I believe it is utter nonsense to say we can do nothing about it. To my knowledge we have asked for more than ten years that something be done; the hon. member for Macleod has made the most effective speeches on this subject. If we can do it in the provinces, why can we not do it here, with all the money we have? We can build fool death traps like Confederation square, but we cannot afford a few thousand dollars to instal a proper amplification system in this chamber. In my opinion that is rot, and I should like to know why we are not doing anything about it.

An hon. Member: Carried.

Mr. Cruickshank: No, it is not carried. This business of calling "carried"—

Mr. Fournier (Hull): Will the hon. member permit me to answer? Everything in this House of Commons comes under the jurisdiction of Mr. Speaker, and I am in the hands of the committee and Mr. Speaker as to what we should do in connection with any loud speaker system to be installed in the house. I am informed that about the most perfect system in the world is being installed in the new British house at Westminster, and before we do anything we would like to see how they get along over there. I do not think it is any secret that Mr. Speaker will be attending the opening of the new building in October, and in discussing the matter with him he expressed the thought that he would like to see how that system operates before we do anything here. It is true that for ten years some hon. members have been requesting the installation of such a system, but

I have found opposition to the idea on the part of other hon. members. I think before we do instal a system we should have it as nearly perfect as possible, and consult as many people as possible. Last year we did consult with the firms interested in this type of work, but we still found opposition from some quarters to the system we proposed installing. I do not believe we are wasting time by delaying this matter in order to make sure that at least ninety per cent of the members of the house are in favour of the system adopted. In this particular case I think haste would mean waste. I believe I would rather have a report from Mr. Speaker after his trip overseas to see what he thinks of that system, because it will probably be one of the most up-to-date systems in the world.

Mr. Cruickshank: Am I to understand that some electrical companies, such as the Canadian General Electric, have been asked if they could provide this service?

Mr. Fournier (Hull): About ten companies have been asked, including Northern Electric and Westinghouse. I have not the full list, but there were many companies.

Mr. Cruickshank: And they say they cannot provide it?

Mr. Fournier (Hull): No, they did not say that. They all have special systems. If the hon. member were confronted with a report in which Westinghouse gave its ideas, and Northern Electric and these other firms gave their ideas, I believe he would be at a loss to know just what to do. There are not many experts in the house who could decide on this matter. Why not wait a little longer to see if we cannot find a better system.

Mr. Cruickshank: Another ten years, I suppose! I shall be in the Senate by that time.

Mr. Green: I should like to have the minister explain the method that is used by his department in renting premises. The law of the country seems to be clear with regard to most transactions by departments of government, but I am afraid it is not quite as good as it should be as to the renting of premises. We find certain general provisions laid down for all departments, including the Department of Public Works, I assume, in the Public Works Act, section 36. This section reads as follows:

> Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases
>
> (a) of pressing emergency in which delay would be injurious to the public interest; or
>
> (b) in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department; or
>
> (c) where the estimated cost of the work is less than $5,000 and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

Then there is this further provision in subsection 2 of the same section:

> Whenever in case of any work tenders are required to be or are invited, the minister having charge of the department concerned shall submit all tenders received therefor to the governor in council—

That is, of course, to the cabinet.

> —and the contract for the work shall be awarded under the direction of the governor in council.

I had something to say to the minister in the session last fall, and early in the present session, with regard to the government constructing buildings. I was referring to the Alvin building in Vancouver. I am not going into that matter any further today, but Mr. Chairman will recall there was a good deal of dispute about the way that work was handled. Today I want to go on to the question of the government renting buildings.

I find this provision in section 39 which reads:

> Notwithstanding anything in this act, or in any other act contained, any public work not required for public purposes may be sold or leased, under the authority of the governor in council;—

The cabinet must approve the leasing by the government to someone else of one of these properties. The section continues:

> . . . and the proceeds of such sale or lease shall be accounted for as public moneys: Provided that such public works shall be so sold or leased by tender or at auction after public advertisement, unless it is otherwise authorized by the governor in council.

Mr. Fournier (Hull): What are those last words?

Mr. Green: ". . . unless it is otherwise authorized by the governor in council." In other words where the government has a building with which it is finished, and the decision is made to sell or lease that building, either tenders must be called or the building must be sold at auction after public advertisement.

We find this position in Vancouver. The Department of Public Works, acting for the government, has rented certain buildings as postal stations. Earlier in the session I received a return showing these different stations. There are about eight which could be called postal stations, and they are small stations scattered about the city, and separate of course from the main Vancouver post office. Five of those postal stations have been rented from firms which, it cannot be disputed, are firms owned or controlled by friends of the government, by active leading Liberals. In

some way these people are able to find out when there is to be a postal station rented. It is obvious that they have what might be described as the inside track. When there is to be renting to the government, it is comparatively easy to finance the construction of a building. The rentals are always ample. In these cases I believe it would be found that the rentals, to say the least, are not too small. In these deals there is not the proper protection for the public.

I cannot find anything in the statutes which provides that when the government is going to rent premises it shall call for tenders or go through some other procedure which would ensure that everyone had a fair chance. Perhaps more important, it would mean that the price of the rental to the government would be lower. There can be no question about what has happened in these cases. I have the street addresses here, and the amounts paid to the firms from which the buildings are leased. These men may have the land, or they go out and buy the land, and then put up a building. They secure a good lease from the government. That sort of thing should be stopped. It is not in accordance with the provisions I have read from the Public Works Act. It brings the whole business of the Canadian government into disrepute with the people who know of such deals, and it does not take long for news to get around the city that that sort of thing is going on. The real estate people all know it; the contractors soon get to know it, and the effect is bad. I am quite sure that the minister himself would admit that it is bad business from the point of view of the country. If under the present legislation he is unable to stop that sort of thing, he should ask for an amendment to the act. The Canadian people are entitled to some better method of doing business.

Mr. Fournier (Hull): The hon. member for Vancouver-Quadra is right with regard to section 36, as to asking for tenders for works not undertaken by my department, and the three exceptions he mentioned: an emergency or an urgent case; if the work can be done more properly by the officials of the crown, and particularly when the cost is under $5,000. In this last year and after all the questions that were put in this chamber, I have been looking into this act thoroughly to see if we have often derogated from that section. I can tell my hon. friend that there are very few cases that my officials could not justify under this section when they made the recommendation that I sign to council. I will not say that everything in that department is perfect, but I must rely to a great extent on the advice of my officials. If they make mistakes and I sign, then I have to give the explanation and I am responsible to parliament. I know that.

I do not know whether we could make a change in section 36. It is quite general. The principle is that, having prepared the plans and specifications, we call for tenders. I sign these calls for tenders every week, and all through the country. I think it is in the exceptional case—and I could give a few cases around here—that tenders were not called because my officials and my advisers told me that nobody would try to give a firm price on the work to be undertaken. As an example, I mention the east block. When we started off with the east block, we saw the old building but we did not know what was in the building.

Mr. Green: That is a repair job.

Mr. Fournier (Hull): Yes. But when we get through with it, it will be a new building. That is one of the jobs where we keep only the shell, I should say. No contractor would undertake a job like that on a firm price; and we did not call for tenders but came to an agreement on a fixed fee, a method which has the least objectionable features of any when getting other than a firm price. When it went over a certain amount the percentage was so small that I do not think anybody would criticize.

As to the second point, with regard to renting space, we do not rent space for ourselves except in a few cases—and I am speaking of the Department of Public Works —but every day there come into the office from all over the country requests from the other nineteen or twenty departments of government asking for space in this place and that. The first question we put to them is this: In what location do you need space? They will give us the kind of block in which they should have this post office, let us say. That is the first step that we take. When we have that information, our field men or resident architect in the town or district will send out people to make a survey of the properties. I have been thinking of the method of asking for tenders for renting space, but I cannot see how it would operate. When they say they need in that ward or in that part of Vancouver a postal station, even if we indicate the exact location of the post office or the postal station, there would be only one or two parties who could say: We will rent it to you at such a price. If I say: I want No. 50 Main street in my town for a postal station, I go to the owner of No. 50 Main street. I need not call for tenders, but I will try to negotiate with him to see at what price he will rent space.

I cannot see the tender feature in renting space. What we do is this. We have here in Ottawa a branch of my department headed by Mr. Boucher, who has been in the service for years. He is the head of the leases branch of the department, and with his other officials has quite a wide experience. When we meet difficult cases and the cases cannot be settled in the district, Mr. Boucher or one of his associates goes out to investigate. But we arrive at renting space by negotiation with the party. We have the current price and the unit price of space in that district and we base our offer on those prices. A mistake may be made in the price that we pay. It can happen every day. In transactions with regard to property or renting space, there is no definite figure that two people will agree on. In the first years I was in the department my experience was astounding. We would ask for tenders for a building which we estimated would cost $200,000. We would receive estimates that would go up to half a million dollars, and others which were $50,000 less. There is no absolute or definite figure.

The responsibility I have in this regard is quite onerous. Nearly every day I have got to use my own judgment, to see whether, on all the information I receive from my officials, we are right or wrong. I cannot say definitely whether the cost will be $1.98 per square foot or $2.05; but I take all the material they bring before me and I say: What is this company paying? What are the provincial governments paying? We get an average as to the price. When I am requested to get space at such and such a number on such and such a street in such and such a city, if the hon. member could devise a system by which I should ask for tenders, I would not object to trying even to change the act; but I would not know how to make it operate. That is the advice my officials give me.

The other point the hon. gentleman raised was that we had acquired properties and then later on disposed of them. When they become surplus and we do not need to use them for years to come, we generally declare them surplus and they are handed over to the Crown Assets Disposal Corporation for disposal. Then we get rid of them and they are disposed of by this crown corporation. But still we hold on, in nearly every part of the country, to the properties that we own, because in the future we think we will need the sites or the buildings. When there are buildings on them we do rent them. But section 39 of the Public Works Act, which the hon. gentleman read, has this redeeming feature: "unless it is otherwise ordered by the governor in council." That is where I receive my power to rent.

Mr. Green: That is, to rent your own buildings.

Mr. Fournier (Hull): To rent our old buildings. We have some of these properties in this city and in the country. We do receive requests from different people to rent. We do not ask tenders. We fix the rental price on the buildings we have to rent. During the war we were frozen, like everybody else, and we are still frozen, with people living in our buildings. When the controls disappear probably we shall follow the trend, make an assessment and value of these rentals and charge that price. The people renting these properties are not the roving kind. They stay put. We have far more difficulty in getting them out when we need the building than they have to pay the rent. I have an instance right here in Ottawa where I have been held up for four or five years because, on account of the shortage of housing in Ottawa we dare not tell these people to get out.

Even if we were to ask for tenders we would not ask these people to overbid the rentals for houses. Perhaps we would receive high rentals that would not be in line with the rentals the private owners had asked. With the controls I do not know whether I would be empowered to have people bidding on these properties.

Mr. Green: I was not complaining about government buildings which the minister no longer needs and is therefore renting. I merely cited section 39 to show that even in such cases there is provision made either for tender or rental by auction or sale by auction, and with public advertising. It was the tender, the auction and the advertising features of such transactions on which I wanted to place the emphasis. I am concerned with buildings the department rents from somebody else.

The minister said that a department such as the post office would come to him and say: "We want to rent No. 50 Main street."

Mr. Fournier (Hull): It would not go out as definite as that.

Mr. Green: No, I should hope not. Surely the minister is given quite a large area within which he can find the building. He should not be restricted to one certain building or one certain block; he should be given an area. The bad feature of what is happening is that there is a leakage somewhere in the government service. It may be from the Post Office Department; it may be from the

minister's department. Somehow, the supporters of the government are finding out that there is a postal station required in a certain area and they have been able to get the lease.

Mr. Hosking: No.

Mr. Green: It may happen in places other than in Vancouver too, but it did happen in Vancouver, and I have the proof here. I do not think the minister is questioning that fact. That sort of thing has to be stopped. I am not in a position to know what the proper steps are to be taken to stop it. I believe the minister wants to stop it just as I do. I suggest to him that he look into the possibility, in the first place, of his department insisting it be given a large area in which to find a building and be given the power to call for tenders for such a building in that area. Let the public know what is going on.

In fact in cases of this kind the department would have been wiser to build its own buildings rather than let somebody chisel in by finding out that there was going to be a building and then picking up property and getting a loan from the bank to put up the building and ending up with a nice government lease without any competition. That is the thing to which we are objecting. I do hope that the minister will try to devise some way to stop that sort of business.

Mr. Fournier (Hull): Starting with the last words the hon. member used, I am in complete agreement as to these leases. I would rather put up buildings for the government in every town where we go. Generally we put up better buildings than we can rent or lease from other people, and they meet the specifications of the departments that need them. I believe in that principle, and my officials have been instructed to that effect. But the hon. gentleman is going back to some years in which we could not get space or put up space. Unless there are some renewals that the hon. member has in mind I can tell him that right now in Vancouver they are insisting that we rent space from other people for the Post Office; and only yesterday I said: "I am going to put up a building there." Even in my sleep I dare not think of the site. Hon. members know what happens when a site is known. The information spreads out. There are very clever people in this world. When we get down to make a deal with businessmen we do not know who has been around the place. The property has changed hands—

Mr. Green: The minister has the power of expropriation.

Mr. Fournier (Hull): Yes, but before I expropriate I ask parliament for some estimate, although I could expropriate in advance with the authority of the governor in council. But if the hon. gentleman thinks we rent properties only from friends of the government, I say to him that I do not even know these people in Vancouver. I have rented on the advice of my officials. If he believes we rent properties only from our friends—

Mr. Green: You did in this instance.

Mr. Fournier (Hull): —he is gravely mistaken. He should listen to what I hear from other members who blame me always for doing business with the opposition.

Mr. Casselman: Don't look at me.

Mr. Fournier (Hull): They just tell me that and they give me facts. They say "You know this gentleman owns this property." I do not know his politics, but they give me information after the fact.

Mr. Green: Maybe the Liberals back here are not as smart as they are out in Vancouver.

Mr. Fournier (Hull): I do not know about that. I do not inquire into the race, religion, creed or politics of those who have the goods we need. In the future it will take more than pressure to try to get me into a deal to rent a building unless it is urgently needed and we have to have it. I do not believe in that policy. The excuse I had in the past —and it was a good one—was that I could not get space.

Mr. Green: That did not apply in this instance.

Mr. Fournier (Hull): The hon. member is a friend of mine. I will ask him this question. He recalls that around 1945 and 1946 members were saying to me: "Please vacate the space you have in that building. Young veterans are coming back from the war looking for space to open their offices as professional men or as businessmen." The hon. member knows that is true. I am not inventing it. We did vacate the space, and then I fell into these things. Space was needed urgently for unemployment insurance, income tax, customs and every other department. I do not know whether we made mistakes; I do not think so, because if I had seen it in advance the hon. member can be sure that I would not let it go through. I am not going to preach here that we are perfect in everything that has been done.

As to the change in the department, I ask the hon. member to take his own district. We have a good staff here, perhaps not as

many as we should have, but his province has grown by leaps and bounds, and the needs of the government departments in Vancouver are three or four times what they were before the war. That should be taken into account as indicating that we had to go quickly about it and find space in the building.

I am glad of the co-operation of the hon. gentleman. He knows that I listen to wise advice. I do not believe he is right when he speaks of my friends or the party's friends. Of course I could give him some instances in which his own friends are doing business with the department.

Mr. Green: None of my friends, I know.

Mr. Fournier (Hull): You have friends and I have friends, and we are nearly all friends.

As to tenders, I have not seen contracts for buildings or wharves for quite a long time where they suggested that we should not ask tenders. That is the rule and it is the policy. Every submission that comes before me I read carefully, and we call for tenders. Those who know the system in public works could go every Wednesday of every week in the year to Mr. Harrell's office—he is the assistant deputy minister. With the secretary of the department, and a few other officials, they open those tenders. The tenders are opened publicly. The Canadian Construction Association of Canada have an office in Ottawa, and they always have a representative to assist in opening these tenders. They take down the tenders. A study is made of them, and a study is made in the department. Unless a guarantee has not been deposited, or unless they do not follow the specifications required, the lowest tenderer gets the contract. I never have attended myself, and I very seldom see contractors. They do come to deal with officials. During a session, of course, I would not have time to see them anyway.

Mr. Green: But the minister has not said whether he would do what I suggest, namely give consideration to having some provision written into the Public Works Act providing that where a government is renting property from someone else there shall be some type of protection against the sort of thing I have mentioned.

Mr. Fournier (Hull): We will give consideration to it. But, if I may complete that story, let us say the Post Office Department wants an office in a certain area. What happens is that an official of my department and an official of the Post Office Department make a survey. We are pretty much guided by the advice we receive from the official in the Post Office Department—or perhaps an official from the unemployment insurance branch, which has offices in every part of Canada—as to the location. There may be three or four places that would be suitable. But when it comes down to the renting of space, there is a difficulty. Let us suppose we do call for tenders, stating that we need 5,000 square feet of space for a post office in a certain area. We would have to look into the condition of the building offered, and see whether it could be put into suitable shape. We might have to take the responsibility of renovating it, and making certain expenditures. Does the hon. member think that would be a better procedure than one whereby, after these men have come to an understanding on the building, they proceed to negotiate? They do turn down offers. Many a time they are turned down, and we say it would not be reasonable. The man in the Post Office Department, or any other department, will try to get as good a deal as possible.

Mr. Green: To what extent does the minister use the method of having some recognized valuator, one who would be an authority in respect of values, obtain an option? Is that procedure used to any extent? There have been reports in connection with some of these matters—not these postal station sites, but in connection with, I believe it was, the site for a customs house. The suggestion did appear in the press that someone from the minister's department or from one of the other departments had obtained an option at a reasonable figure, and that then that option had been allowed to lapse, with the result that eventually someone else had come along—in that case too a friend of the government was involved—and the price had then become a great deal higher. Is there any attempt made to do business by getting options through independent valuators whose good faith could not be questioned? The minister's department will have to work out the best solution, because no private member of the house is in a position to do so. However there is this abuse, and I believe the minister himself wants to remove it, just as I do. I would urge upon him that he try to work out some method of stopping this racketeering.

Mr. Fournier (Hull): I would not use a word like that, really; that is what harms my hon. friend's argument—when he uses words like that. I do not think humanity is that bad—even in Vancouver. There must be some good people there too. When I deal with them, or consult them, I find they are not bad. Generally, however, we work through our officials.

Mr. Green: If I might modify that I would say, "pettiness".

Mr. Fournier (Hull): If I should right now explain what I think the situation is in Vancouver in respect to space, and the location of public buildings, not having the estimates before me, and the power of expropriation, I could see the price go up. I am thinking of that situation in Vancouver. I do not know that they are not clever enough there, and they imagine we want to put up more buildings. I am not authorized to say, but I have been studying that situation. I would not tell it to my hon. friend right now, because in Vancouver, which is one of the—

Mr. Green: The best in Canada.

Mr. Fournier (Hull): Well, every time I have been there I have thought so, until I have come to the central provinces. But in Vancouver, where the city is growing every day, departments need buildings.

Mr. Green: What about my question with regard to obtaining options?

Mr. Fournier (Hull): I am not trying to evade the hon. member's question. But does the hon. member think that my officials, who do this work year in and year out, and have experience in the renting of buildings and knowledge of values per unit and the kind of construction required, could not do that work? When difficulties arise I am told that they will get in touch with real estate firms in all parts of the country to act as advisers. They will consult them. Then they can go to the court house, the registrar or the city hall and get all the information they require. When they have that information they begin to negotiate.

We do ask the advice of outsiders. I could name a firm in Toronto, but I should not do so because it would be advertising that firm unduly. I have complete confidence in that firm, because in the last five or six years they have given me advice which I am sure saved the government a large amount of money. It has been good advice, sound advice. We have used outsiders for that kind of thing. But I would not want to say that I have not in my own department—

Mr. Green: But I asked whether the minister has used this optioning system.

Mr. Fournier (Hull): No, I cannot recall that we have. If I sent out one of my men to get in touch with a real estate agent and ask him to try to get an option on a property—and I am not evading the point—if the option lapsed, how could I stop the leak? The minute we say something, then other people who know something about this business begin to think about what they will do. There may be leaks, but I do not think they are in my department.

Mr. Adamson: I think I know the firm in Toronto about which the minister has been speaking.

Mr. Fournier (Hull): When we have in mind some property we call up this firm and we say, "Would you give us an idea about this property?" Hon. members would be surprised how they know the country, from Newfoundland to Victoria. They are friends of mine, but not political friends. I get their advice because I rely upon their judgment and their knowledge.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. St. Laurent: I should like to move that the committee rise, report progress and ask leave to sit again so that, with the Speaker in the chair, I may ask leave of the house to revert to motions in order to table certain documents relating to the disasters at Rimouski and Cabano.

Progress reported.

FIRE DAMAGE

RIMOUSKI AND CABANO—TABLING OF PRELIMINARY REPORT—TELEGRAM FROM PREMIER OF QUEBEC

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to ask leave of the house to revert to motions for the purpose of tabling the preliminary report we have received, and which has also been supplied to the government of Quebec, with respect to the damage caused by the disastrous fires at Rimouski and Cabano. May I take it I have leave of the house?

The Acting Speaker (Mr. Beaudoin): Has the hon. member leave?

Some hon. Members: Agreed.

Mr. St. Laurent: Hon. members will recall that a special commission was appointed, consisting of Brigadier A. Theriault and Mr. Edouard Laurent, to investigate the situation. They have prepared a report of their investigation, addressed to both governments, and I should like to table copies thereof. Following the production of the report I had discussions with the premier of Quebec. I should like to table a copy of a telegram I received from him late yesterday afternoon expressing the understanding reached with respect to relief to be extended in those two localities.

The report shows that at Rimouski the damage, exclusive of that incurred by Price Brothers and Company who operated a large mill at that place, amounted to $10,773,400, not including any damage to personal

property other than equipment of commercial firms used in the exploitation of their respective businesses. Against that there was fire insurance amounting to $2,120,400, leaving a loss of $8,653,000, of which the loss of individuals amounted to $3,715,000, partly covered by $1,250,000 of insurance, leaving a net for real property loss to individuals of $2,465,000.

The loss to institutions consisting of schools, hospitals, old people's home and the like amounted to $5,124,400 against which there was insurance of $775,400, leaving a net balance of $4,349,000. The loss incurred by utilities amounted to $204,000. In addition there was the value of a bridge completely destroyed, which is listed in the report as provincial property but which in fact was the property of the town of Rimouski. The commissioners were under the impression that the bridge had been taken over as part of a provincial highway, but such is not the case yet in the province of Quebec. Links between stretches of provincial highway which go through cities and towns are still the responsibility of the local authorities. Therefore the municipality and the utilities show a loss of $679,000.

These three net amounts total $7,493,000, practically seven and a half million dollars. In addition there was damage to federal property amounting to $260,000, according to the estimate, and to provincial property amounting to $930,000, according to the same estimate.

The situation in Cabano is that no special account was taken of the damage to the municipality, which was not very considerable. There was some damage to highways and sidewalks, but that was not brought into the calculation. There the damage suffered by individuals, excluding the Fraser Company Limited, amounted to $1,250,000, against which there was insurance amounting to $425,000, leaving a net of $825,000. The provincial government has appointed two local rehabilitation committees, both of them consisting of the commissioners who made the investigation, and in addition Mr. Paul Emile Gagnon in the case of Rimouski, and Mr. Emilien Morin, the mayor of Cabano, in the case of that town, to handle rehabilitation.

The telegram which I have filed covering the tentative understanding arrived at indicates that it is the intention of the provincial government to turn over to the Rimouski rehabilitation committee the sum of $2,500,000, and to turn over to the Cabano relief committee the sum of $300,000, to be applied to the rehabilitation of these localities. The tentative understanding is that the federal government will contribute equal amounts to both local committees. It is my understanding that the Minister of Finance will include an item in the supplementary estimates to provide the funds required.

In reading the telegram hon. members will see that there is a reservation made with respect to a marine technical school that had been erected in Rimouski at the joint expense of the provincial and federal governments for the training of seamen. They will see it is not to be taken into account in the allocation of the relief amounts provided by the sums I have mentioned, but that its reconstruction is to be the subject of further negotiations between the federal and provincial governments.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, on behalf of my constituents, who suffered such a calamity at Cabano, I wish to thank the Prime Minister, the members of the government and all my colleagues of the House of Commons for their generous sympathy in the terrible disaster. The Prime Minister took the trouble to go to Cabano. He saw the people there, and I am sure that he admired the dignity they displayed in their misfortune. We needed co-operation and action, and we have had both. I am most happy that there has been so much co-operation between the federal and provincial governments to help the people concerned in order that they may rebuild their houses before next fall.

I thank the gentlemen who were appointed by both governments to make a survey. I thank all those who have been generous enough to give a helping hand to so many people who suffered at Cabano and Rimouski. I thank the provincial government for having organized a trust fund, and the *Star* and *La Presse* for having given such wide publicity to it. I must not forget the hon. member for Papineau (Mr. Houde), his worship the mayor of Montreal, and the members of the municipal council of that city, who have made a generous donation and have organized a concert at the Forum in aid of those in such distress.

I could not possibly enumerate all those who have done something to show a real understanding of human suffering and a true spirit of fraternity. I thank the Prime Minister in the first place and all those who have shown themselves so generous and so truly Canadian in helping their fellow citizens who were the victims of such a calamity.

(Translation):

Mr. J. G. L. Langlois (Gaspé): Mr. Speaker, I would like to say a few words about the statement just made by the right hon. the Prime Minister (Mr. St. Laurent).

On behalf of the member for Rimouski (Mr. Belzile) and the people of the city of Rimouski, I must say how glad we have been to learn that, through the co-operation of the federal and provincial governments, the people so sorely tried by the recent disaster will receive badly needed help and assistance.

I wish to thank the Prime Minister and the government for their promptness in the matter. This help will, I am sure, hasten the reconstruction of that city.

(Text):

FREIGHT RATES

INCREASE AWARDED TO RAILWAYS—TABLING OF FURTHER CORRESPONDENCE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, while we are still on motions may I have leave to table copy of a letter I have received from the premier of Alberta in reply to my letter of June 13 with respect to the recent freight rate increase authorized by the board of transport commissioners, and the answer I have sent today.

SUPPLY

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

DEPARTMENT OF PUBLIC WORKS

288. Departmental administration, $350,605.

Mr. Fraser: Can the minister say why there should be a difference of about $2.05 per ton in the cost of supplying coal to dredges at three points in the maritimes? That would be all Nova Scotia coal, would it not?

Mr. Fournier (Hull): As was mentioned in the house some days ago, tenders are asked for the supply of coal at different places. I suppose the difference in the cost of transportation might have something to do with the difference in the price. In any case we have accepted the lowest price for each point where we require coal.

Mr. Fraser: It would all go in by water from Sydney, would it not?

Mr. Fournier (Hull): It might, but we ask for public tenders. I do not say we are bound to accept the lowest tender, but that is the general practice.

Mr. Thatcher: I want to ask the minister a supplementary question following one asked this morning by the hon. member for Vancouver-Quadra. Before lunch the minister said that when a building was to be constructed by his department he usually called for tenders and then usually accepted the lowest tender. I should like to ask if there is any variation in that practice. I ask that question because of certain evidence given before the public accounts committee this year. A short time ago when Mr. Bryce, assistant deputy minister of finance, was giving evidence I asked whether, when a major building was being constructed, the lowest tender was accepted; and at page 280 of the evidence he made this reply:

> . . . there undoubtedly have been buildings built or special construction projects undertaken in recent years where it has not been done on the basis of awarding the contract to the lowest tenderer.

Mr. Fournier (Hull): Did he give an example?

Mr. Thatcher: No, he did not give a specific instance, but he is one of the principal officials of the treasury and I suppose must be considered reasonably responsible. I wonder if the minister could give some explanation of the difference between the statement he made this morning and the evidence of Mr. Bryce. If the lowest tender is not being accepted I think it is a dangerous practice which may cost the taxpayers of Canada a very large amount of money over the years. Therefore I should like the minister this afternoon, or as soon as possible, to state whether in the past year buildings have been constructed in connection with which the lowest tender was not accepted and, if that has been the case, to name those buildings.

Mr. Fournier (Hull): I cannot recall an instance when we have not accepted the lowest tender if that tender covered the whole of the specifications attached to the plans. I cannot recall that we have refused the lowest tender which, having covered all the specifications, was accompanied by the ten per cent of the tender legally required. I cannot recall that we have not accepted the lowest tender when the company, having complied with all the other rules, had the required amount of equipment registered in Canada. If an hon. member would give me one case I would call for the file immediately to see whether we had not given the contract to the lowest tenderer when everything else was in order. If there is some exception I should like to know about it, because I would personally inquire into it.

Mr. Thatcher: I have no assurance beyond what Mr. Bryce said, and certainly he is a senior official.

Mr. Fournier (Hull): Do you know why he said that? Perhaps we did not give the contract to the lowest tenderer if his tender did not cover all the specifications.

Mr. Herridge: I want to make a few remarks on the policy of the department,

and concerning the officials; I shall be quite brief. In the first place I want to congratulate the minister again on the work being done by his officials and their assistants in British Columbia. They have carried on under particularly difficult conditions during recent years. It is very hard to get materials and labour together at a certain spot and at a certain time in order to construct a wharf, for instance, and I think they have done a fine job. Others in the district feel the same way. I suggest that from my personal observation there is a shortage of engineering staff in British Columbia. I notice that the engineers of the department are continuously on the go, and have very little time to stop anywhere. So I would like the minister to inquire into that point. I might add that the officials have excellent public relations with representative public bodies and with the public generally. I believe they have shown very good judgment in dealing with the situations that have arisen in connection with the work of the department in that province.

Before passing on to the main subject with which I want to deal let me say a word about dredging on the Arrow lakes. I want to express the appreciation of the people of the district for the excellent work done by the dredge on those lakes within the past year. There has been excellent cooperation between the captain of the dredge and the captain of those vessels operating on the lakes. While this year, as the minister will be able to judge from an examination of the report, the yardage does not appear to be as high as in former years, excellent work has been done in deepening the channel to make the navigation of the river easier for those who use it.

Mr. Chairman, I rose particularly to deal with the policy concerning riverbank erosion and river wall protection. Representing as I do, in common with the member for Kamloops, a constituency touching on the Columbia river, I am concerned about the possibility of flood damage at Trail which is imminent at the present time, and the damage from erosion that has occurred at certain spots throughout the year. This was brought forcibly to my attention, in the first place, through the 1948 flood when the city of Trail suffered heavy damage as a result of the overflowing of the Columbia river at various points. An appeal was made to the minister by the city council. I have a copy of their petition presented here and it deals with the difficulties to be faced and what is required to remedy them. I discussed the matter with the minister, his deputy minister and some of his engineers. I quite agree with the reply the minister made to that request. As I understand it, there is a constitutional angle to the question. The waters, so far as navigation is concerned, are the property of the federal government; so far as power production is concerned, they are the property of the province. It is the kinetic energy in the water that produces the power; it is the kinetic energy that erodes the banks of the river. Therefore it was the property of the province destroying the property of the province. The minister suggested the city should apply to the province, and the province should make application to the federal authorities for some assistance to build a river wall. I support that proposal. I think that is quite sound. We cannot have every village, city and municipality dealing with the dominion government. The proper chain of responsibility is from the municipality to the province, from the province to the federal government.

Unfortunately, the provincial government took no action in this matter. A resolution was brought before the provincial legislature, but it was withdrawn on the promise of the minister to deal with the situation. He said he would bring it unofficially to the attention of the federal minister. No purpose is served by bringing a matter unofficially to the attention of a representative of another government, so nothing has happened.

Erosion has been a problem on the Columbia river ever since British Columbia entered confederation. Upon examining the correspondence and documents of that time, I find that it first arose in 1890, and later in 1892 when a petition was presented to the federal government to have something done to prevent the erosion of the river bank near Revelstoke. Then the provincial legislature of British Columbia passed a resolution in 1894 urging the federal government to assist the province with the problem of the erosion of the Columbia river bank. In 1900 some $33,000 was spent as a result of this resolution and the federal government bore half of the cost.

It has been a problem throughout the years, although the dangerous possibilities were not brought to the attention of the people in recent years until the flood of 1948. In going through the correspondence it appears to me that the federal government has made certain grants to the provincial government for Columbia riverbank protection. I understand that today the federal government takes the stand it will do riverbank protection work in order to protect its own structures or in order to repair some

damage occasioned by a structure of the dominion government or some work of the dominion government or for navigation. I think I am correct in that. If the city of Trail, which is a vital city so far as Canada is concerned, is to be adequately protected it will require at least $1 million to extend the city river wall to the city limits. That is necessary work if Trail is to be properly protected.

In addition to that there are other minor works that should be undertaken along the river. I believe some extensive riverbank protection work is required at Revelstoke, but I believe the member for Kamloops will deal with that later. It is about time, Mr. Chairman, that we had a policy with respect to riverbank protection and erosion. It seems to me there is no defined policy, and the government continues to dawdle over the whole question. There is no policy or no plan laid down to meet this urgent situation facing the cities and communities lying along the banks of our great rivers. There is a job to be done in the protection of those communities. At the same time there will be men who will be unemployed next winter, and who will require employment. I am not going to take the time of the house, Mr. Chairman, to go into the full details. I could say much more.

An hon. Member: Hear, hear.

Mr. Herridge: Someone says, "hear, hear". I believe it is unbecoming for a member of the Progressive Conservative party to say "hear, hear".

Mr. Fulton: It was a member of your own party.

Mr. Herridge: If it was a member of my own party it could only have been the member for Moose Jaw who thinks the biggest national problem we have is to remedy the sewage system of Moose Jaw.

I should like the minister, when he replies to requests, to make reply concerning the suggestions I have made. I think it is an urgent matter. He has been very co-operative, but I get the impression the provincial minister of public works and the federal Minister of Public Works react to this problem like the ancient maiden lady receiving a proposal from a young man; they are quite correct but neither of them shows much enthusiasm over the matter. I do urge again that the federal government is the one to take first action to seek co-operation with the provincial government in developing a policy covering riverbank protection and the protection of the communities lying along our rivers. Then both governments could plan to do a job that requires to be done at once in many places in Canada. At the same time the plan would provide employment for men who will be unemployed next winter, even under the best of conditions. Owing to a cessation of the work in the woods, many men capable of doing heavy work are unemployed. I think it would be a far better plan to do these necessary jobs, even if we spend a certain extra amount of money to provide very useful employment. I consider it a pressing problem, Mr. Chairman, and an opportunity for this government and the minister to implement some of the green book proposals of 1945.

Mr. McIvor: Mr. Chairman, I should like to say first that, because of our thirty or more elevators in Fort William, because of our four paper mills, because of our manufacturing, we turn in a large amount of taxes to the dominion government. I would also say that we receive consideration from the minister in the matter of public works, and the things that we need. We shall be back again to see that department soon because of our need. I am asking now, not for a need for Fort William but for all of Canada, and one that is long overdue. It is a need of this House of Commons, and that is for an up-to-date gymnasium. We have athletes from all over Canada in this house; men who played the roaring game of rugger, soccer, basketball, tennis and so on. These men have made the grade in public life, and been elected to the House of Commons. They come down here, and they sit, rest and grow fat, because we have not a gymnasium. Anyone knows, and the doctor over there will tell you, that carrying fat as a dead weight is a burden upon the heart. I will ask the minister and his staff, when they are beautifying Ottawa, not to forget the beautifying of the human bodies of the men and women of the House of Commons.

Mr. Sinnott: With regard to the question raised by the hon. member for Moose Jaw, as to the way contracts are handled, I must say at this time that I think possibly all members of the committee are fortunate to have the fine co-operation of the Minister of Public Works. But I have been reminded by several competent men that contracts are drifting into the hands of too few men because of the fact that they have to put up a 10 per cent deposit on the amount of construction. Is it possible that a bond put up by these men would be just as acceptable to the government as a 10 per cent cheque? In most cases a small contractor having to put up a 10 per cent cheque finds that it ties up a great deal of his money. If a bond company is willing to back him up, and if they will deliver to the government the 10 per

cent on request, I think it would help many of these smaller men who tender on these jobs.

I should like to remind the hon. member for Kootenay West that the Columbia river is not the only one that is eroding in Canada. The Red river is causing considerable damage to market gardeners. As to many of the market gardens along that river, as much as 50 to 100 feet of land have drifted into the river during the last 15 to 20 years. The Winnipeg river is causing considerable damage at the present time. I believe it is higher now than it has been at any time since 1916, and it extends possibly one and a half feet over the road which runs from Lac du Bonnet to Pine Falls, which is the main road. I have been asked by several of these people along the Red river, as well as by people along the Winnipeg river, if something can be done to curb this erosion which is taking place year after year. I will ask the minister and his department to see whether they can work out something definite to help those people.

Mr. Fulton: I just want to support what the hon. member for Kootenay West has said with regard to erosion. I always let him take the lead in this matter because more of the Columbia river lies in his constituency than in mine, although in mine lies the most valuable and attractive part of the river. As a matter of fact, I had a telegram just today from Revelstoke on this very problem of erosion. I did not like to bother the minister personally because he is here with his estimates, but his departmental officials are looking into it.

I should like to support to the full what the hon. member for Kootenay West has said to the effect that there is no clear-cut policy. The localities, the municipalities and the individual areas affected do not know whether to look to their federal member or to the provincial member; and between the three divided authorities, we do not seem to get very far. In justice I should pause here to echo what the hon. member preceding me has said. I think that the federal government has gone quite far in discharging the responsibilities which are unquestionably its own. There is no complaint on that score. When it can be clearly shown that it is a federal responsibility, they have come in and have done considerable bank protection work at Revelstoke, which has been of great value in that area. But then again that was where it was the result of previous federal construction or was an interference with navigation. But in the great majority of cases where there is no clear-cut division of responsibility, where it cannot be clearly shown that it is the result of some federal construction or threat to navigation but is on a navigable stream, no one quite knows to whom to look.

It is something which is obviously beyond the resources of the municipality to handle. The provincial authorities say that it is a navigable stream and that the federal government should co-operate, and the federal government take the position that it is not an interference with navigation and therefore it is not their responsibility. I feel that if, as a result of discussions, we could have a clear-cut policy on this whole question of erosion, which is of importance not only on the Columbia but on the Thompson and the north Thompson in the rest of my riding and further down the Fraser as well, then those areas affected might expect to have some progress. I believe that the proper basis would be a joint contribution by the municipalities, the province and the federal authorities to deal with this question of bank erosion.

In conclusion, I just want to impress upon the minister the fact that it is a matter of some urgency because every year acres of valuable land are falling prey to the encroachment of this constant erosion by the rivers in the flood seasons of the year.

Mr. Thatcher: I have just one brief question to ask the minister. In the past year we had quite heavy unemployment in the winter months, and I suppose we shall have it again next winter. The Prime Minister and others have suggested that it is seasonal unemployment. I wonder if it would be feasible for the Department of Public Works to do more of their building in the winter months when the construction industry is slack. I know that, in my own city, hospitals have been built in that way. Once they got the outer shell up, the men worked inside. It seems to me that might be a tangible step which this department might take to alleviate seasonal unemployment in the winter. I should like to know whether the minister thinks it is feasible or not.

Mr. Fournier (Hull): With regard to that last question, the Public Works Act does not contemplate that we put up engineering or architectural works in order to relieve unemployment. You must admit that if you read the act. That is not the object of the Public Works Act. It is to put up these works to meet the needs of the different services in the country. We do our utmost to proceed the year round with buildings. In British Columbia we have work going on the year round. But you cannot do that in other provinces of the country. I do not think that I could give any other answer than that,

unless more authority were given to me, to try to relieve unemployment, and it were made one of the duties of my department that, regardless of the cost, I could undertake work just to relieve unemployment.

Mr. Thatcher: Of course, if you do not do something like that in the winter, you are paying out unemployment insurance anyway. It does seem to me that even if it cost a little bit more to build in the winter, with regard to inside work at least it would be a way of alleviating seasonal unemployment in many parts of Canada.

Mr. Drew: I wish to deal with the broad question of how the Department of Public Works fits into the over-all picture of construction of government buildings and the way in which it would seem to me that this subject might well be examined before we are called upon once again to consider estimates. As to this year, I recognize that we are necessarily committed to the pattern of estimates that we have before us and to the general procedure that has been followed. This, however, seems to be the appropriate point at which to make certain observations which I should think might well be given careful consideration by the members of this committee in examining what is happening in connection with the construction of public buildings.

When the hon. member for Fort William expressed his concern about the increasing fat which he had noticed in some places—and he, with his usual politeness, did not indicate any particular place—I was conscious of the fact that there are also other places where there is a certain amount of fat appearing, and places other than on the human frame. One of the things about which all of us must think perhaps more than we have been called upon to think in the past is the extent to which the budgets for every requirement of government are becoming fatter and fatter and, in that very process, are imposing increasing tax burdens upon every taxpayer in Canada.

One of the difficulties of offering any suggestions as to places where savings can be made or otherwise is that in the very nature of things it is only those who are dealing with each of the problems who can possibly know whether or not there might have been certain economies which would have maintained efficiency and conceivably even increased efficiency. But one of the things that do strike one rather forcibly is this. In the year before the war the total figure called for in the estimates of the Department of Public Works was $14,560,749. The amount called for this year for the acquisition or construction of buildings, works and structures is $61,431,500. I am not prepared to say, nor am I in a position to say, that included in these figures are not figures that indicate inefficiency or otherwise. We are simply presented with the information as to the buildings that are to be erected, and what they will cost.

What I would point out, however, is that not all the buildings that are being constructed by the government are being built by the Department of Public Works; and that in addition to the buildings that are being acquired or constructed by the Department of Public Works are buildings that are being acquired or constructed by other departments as well.

In a recent summary of a total figure in the estimates for the acquisition or construction of buildings, works and structures, prepared by Mr. Bryce, we find that the total over-all figure for this year will be $168,575,705 as compared with $35,830,565 in the last year before the war. That is a very large increase; and again we see that buildings are being constructed by departments which were not assuming the responsibility for constructing buildings in the fiscal year 1938-39. For instance, in the present estimates we find that the Department of National Health and Welfare has items for buildings to the amount of $2,311,250; Resources and Development, $13,482,390; Veterans Affairs, $4,535,000; National Revenue, $427,000.

In these instances I have mentioned only departments which built nothing separately as departments in 1938-39, the last fiscal year before the war. There are other departments like National Defence which were carrying on construction in the year before the war. Let us take a comparison there. In the last year before the war the amount was $4,261,050. This year the amount estimated is $36,265,257. In the case of Transport it was $7,324,389 in the year before the war. This year the estimates call for $20,410,816. I have given these last figures only to show that in department after department, where construction is taking place, there is this very large proportionate increase. It seems to me that when we are confronted with the comparative figures for all acquisition or construction of buildings, works and structures, by different departments of government—and this of course is entirely exclusive of the crown corporations and different ventures of various kinds—we find that the comparative figures are $35,830,565 the year before the war, and $168,575,705 today. It does seem that we at least should consider whether it would not be wise that there should be some more effective over-all supervision of construction, and perhaps some uniform plan of construction

which might effect economies which otherwise would be overlooked because of the fact that these things would be done separately.

I recall as an example only one item that came before us for construction and it was a school that was being built in northern Canada, where in one of the departments the plans were obtained for a school of certain value. The architect was paid the fee for that plan. Then it was decided that they did not want quite so large a school. New plans were drawn and the architect was paid fees for the second plan as well. I merely mention this as one item that came up for consideration in the accounts this year, to show that there are places where a careful examination and one uniform system of supervision might well disclose places where savings could be made in this very large figure.

Under the Department of Public Works there is a strict requirement in regard to the calling for tenders. The hon. member for Vancouver-Quadra has referred to the situation that arose in Vancouver, and I do not intend to enlarge upon it beyond this. The device that was employed there could be one that would circumvent the intended restrictions in the act under which this department operates. The facts speak for themselves. The hon. member for Vancouver-Quadra has put these facts forward. The minister has given his explanation, and I do not intend to extend the discussion which has been so fully covered. I would point out, however, that if it were intended to circumvent these restrictions, what was done in that particular case—and I refer to what has been known as the Alvin building—could be a method to avoid the ordinary requirements; because, where the government intended to buy, it could arrange to buy but nevertheless in advance to arrange a lease with a purchase option and in the process avoid the necessity of calling for tenders, and then subsequently take up the option, and by that means avoid the intended protection of the calling for tenders.

I am putting this forward only to indicate that a method of this kind could be abused if it became an extended practice.

Perhaps, however, what has happened in this case does suggest the very great desirability of an over-all review by competent, outside experts as to the way in which the whole program of construction is carried on, not only by this but by all government departments, so that every advancement in construction methods and every practical economy that has been discovered as a result of the great building developments of the past few years may be applied to the construction of government buildings of all kinds.

[Mr. Drew.]

Without impropriety of any kind, and without hint or suggestion of impropriety it nevertheless must suggest itself to every hon. member that practices which go on year after year, without any independent examination, in the experience of every one of us do almost invariably lead to the acceptance of methods which might be improved if they were checked and examined from time to time.

What is happening here is only one of the reasons that I did urge an over-all examination of the whole business of government by an independent royal commission. That has been dealt with, and I shall not extend the discussion of that suggestion at this session. But I do most earnestly put before the minister for consideration the advisability of a thorough consideration of the whole procedure in connection with the construction of public buildings, not only in his own department, but in all departments of government which are now building to the extent of $168 million a year. Those figures are so large that they are almost beyond the understanding of many people. Sometimes figures become so large that we are inclined to become less careful in their examination than when they are in terms we understand in our daily contacts.

With the figures before us it is not possible for members of the House of Commons to say, "You could save $1,000 here", or "You could save $10,000 in this item" or "You might save $50,000 in that item". That is not possible. We do not examine these as architects or as building engineers. They are put before us as jobs that should be done—and let me say at once that in most, if not in all cases, they are jobs that do need to be done. Members want to have them done in a way that will impose the least possible burden of taxation upon the taxpayer.

My remarks have been general for the very reason I have indicated, namely that we cannot examine in detail. But I do suggest that the enormous increase in the cost of building which in the year before the war was $35 million to the present figure of $168 million, should be a warning, a signal, that the time has come to review the method by which these arrangements are made, and to see if there are not economies which could be practised, either in the matter of buying, different plans of construction, or otherwise.

May I point out in relation to the activities of this department that there is a clear indication of the way in which costs are rising when we look at the item for maintenance and repairs. In the year before the war the Department of Public Works was shown as

spending $3,664,294 on maintenance and repairs in the estimates for that year. This year under the same heading there is an amount of $33,551,248. In other words the figure for this year is almost ten times what it was the year before the war. May I add that the figures I have used in each case are those supplied by Mr. Bryce in what was described as a functional breakdown of the over-all estimates of the different departments, under the heading "acquisition or construction of buildings, works and structures."

I shall conclude with the repeated request that the minister take this into consideration and do what any ordinary business concern would do, namely bring in the best available advice to make sure that if there are any ways in which savings can be made they will be undertaken.

Mr. Fournier (Hull): Mr. Chairman, it is not every day that I would be ready to compliment the leader of the opposition upon a speech; but today he has certainly impressed me with the study he has made of these figures concerning the Department of Public Works, and other departments.

May I in a few words place before him the little experience I have gained since I have been Minister of Public Works. In 1942-43 when I was first appointed, according to the figures given me by my officials we had an appropriation of $18,221,351. At that time we were at war, and it was found that the statute under which we operated was so restrictive that it took us a good deal of time to get results. In street parlance, one would say, "There is too much red tape in public works."

I have to admit that this is one of the oldest departments of government. It is built on experience, people having joined it when they were very young, and having grown up with it and received their training from older officials. I become impatient when I bring down my estimates and there are revotes. Well, it has been explained to me that they do not run; they just walk and go slowly to avoid mistakes.

So, during the war, instead of giving all the construction work to the Department of Public Works, other departments were set up. Some of the departments handed their work to this other department which, at the time, was the department of munitions and supply. For instance, the Department of Veterans Affairs, which had always had an engineering and architects branch, would have construction done by the Department of National Defence. It developed that people avoided the Department of Public Works, because we did not get results. We could not go fast enough—and I think their action was proper at the time. But to get those quick results one could not follow the statute exactly, and we operated under the statute.

This condition grew up during the war. There is no doubt about it that some departments were not always satisfied with the way we gave them space or the works they wanted. Departments were growing rapidly and we were confronted by a number of regulations under which priorities for materials and labour were given to other departments.

So you see our estimates during the war years were kept very low—$18,021,351, and then in the next year $21,464,304, and then going back to $20,346,734 in 1944-45, and then up to $23,178,041. But we have to admit that since the war I have been pressing the government to go ahead with works. In 1946 nearly everything that belonged to the government by way of public works was deteriorating to the extent that we were losing some of those works. So I insisted that I receive amounts sufficient at least to try to repair, maintain or rebuild. As to maintenance and repairs, I have received some votes, but in the last two years, when the situation eased as to materials and there was more labour on the market, I convinced them that we should undertake new projects and buildings. In that process I had to rebuild the staff of the Department of Public Works. When I became minister in 1942 it was around 4,000 and it now approximates 7,400.

There is a lot in the thought of the leader of the opposition that there might be a saving if we could concentrate all building for every department in the Department of Public Works. I do not say there would be, but we would have to increase the staff of the department to quite an extent to handle the surplus of $60 million worth of works that are done outside the Department of Public Works. I think the proper procedure is that when the need for works is demonstrated to the satisfaction of the officials of the department, the community, members of parliament and the government, then we should undertake those works, following the statute as closely as humanly possible. We have been trying to do that.

One case was cited where perhaps we may have deviated and tried to avoid the provisions of the law. I will tell you candidly that was never the intention. I am not going to give all the reasons that I have given in the house before. It was never the intention to avoid the law. The purpose was to try to get quickly something that was required by departments. That was the only reason that motivated me in that instance. I do not think we made a bad job of it, but I do not

believe in the principle. If we are going to start abandoning the system of asking for tenders we do not know where a government would stop. We have examples all over the country. Although I do not pose as a model, I believe in the tender system because we are spending everybody's money, and everybody has a chance to tender to make money out of these contracts. While I am head of the department I would not want any change in the system, and I will try to see that does not take place.

As to the increase in the estimates, it is not only because of the number of works but also the cost of materials and labour. We just grew up with the other departments of government. In 1939 we only had 12,000 or 13,000 civil servants in the city of Ottawa, and today I believe we have over 40,000. It takes a lot of space to provide for that number of employees if you want them to have an average of 85 square feet per employee, although I think the normal should be 100. It takes a lot of space to provide conditions of work comparable to those in industry. Requests come in to provide better conditions of work in every city so that they will be on an equal footing with industry and business generally. If you do that the expenditure will be very large.

During the war, employees worked in 55 to 60 square feet of space per person. I think the average has gone up to around 80 or 85, but it really should be about 100 square feet. I know it is difficult to discuss the details of the public works estimates. If I meet someone I can give him the proceedings and details in conversation. In the house that would be quite a job although I would undertake to do so if the session lasted all year. In a session lasting only for some months of the year it would be quite difficult.

Although I do not know if I can carry it out, I will certainly consider seriously the proposal to have construction concentrated in my department. Circumstances may arise where my department might not be able to fill the bill at all unless we change the statute to give me more leeway, and really I would not want to be minister of the department unless we had the controls in the Public Works Act. I do not know what would happen to a man who would undertake to handle this business without having the straight principles laid down in the act, and I do not think I would be the proper man to administer the department under those circumstances.

Coming back to the officials of the department, I think I have about the best staff trained in different branches of the work that could be had. I will not say they are perfect, but you would be surprised to know all the details that enter into their reports before they make a recommendation to the minister. I could mention the heads of the architectural and engineering divisions in the fifteen different districts, and every name I would give you would be that of an outstanding man in his field in that particular district. They have experience and they know the local situation. They are well trained. They were educated in universities all over Canada and outside this country.

When a community sends a delegation or makes a request for a building or works of some kind I try to meet their wishes as much as possible. My immediate contact is with members of parliament on every side of the house. I do not know of one member who has come to my office to see me to explain a situation that I have not given serious consideration to the matter. In any event, you can look at the estimates and you will see that I have tried not to play favourites as to public works. I do not believe in that. I do not believe it is a good thing for the country. I do not believe it is a good way to spend the people's money. If a member of parliament comes to me with a serious project I have a report made on it by my engineers or architects. I have the advice of the gentlemen seated in front of me today. Then I am ready to go before the government or treasury board and try to get an estimate through. The moment the money is voted it falls back on the department and its officials to prepare plans, specification, estimates and ask for tenders.

We do not generally ask for public tenders for small works under $5,000. We ask for tenders from known firms in the community. In all other cases we ask for public tenders. It has been said that contracts are not always awarded to the lowest tenderer. The explanation I gave a moment ago is the only reason for that that I can see. I have in mind the case where an accepted cheque does not accompany the tender, and the tender is thrown out and not considered. If a tender does not meet the specifications it is thrown out. In certain instances when we have had dealings with contractors who have fallen down on contracts which we have had to complete we look into the capabilities and organization of such firms whenever they tender again. We do not turn down the lowest tenders. They are accepted except under the circumstances I have outlined. If anybody thinks I have made a mistake in that statement and can produce a case I should like to see the file myself. I would be sorry to see that it had escaped

my attention because I look at all these tenders that come to my desk and try to give them all the attention I can.

Coming back to the subject that started this discussion, remedial works, there is no set policy, but I think the hon. member for Kamloops has grasped the situation as to what we do in cases of damage by erosion. When there has been a clear-cut responsibility on the part of the federal government I think we have met the emergency and have proceeded with the works. In other cases of flood conditions throughout the country we would not touch the damages caused by flood. The best example is the Fraser river catastrophe. When it happened the government undertook to pay not 100 per cent but 75 per cent of the cost of the dikes or protection works. Probably we will soon make an agreement with the province of Manitoba if they wish to construct dikes, but there are circumstances where we do not think that is our responsibility. Right across the river, in my own riding, there happens to be a river that nearly every year floods part of a village known as Gatineau Point. Each year a number of homes in that village will be flooded to the extent that the people will have to go out of the second storey windows and into their little rowboats in order to get to work; still they want to continue to live there. For ten years as a member of this house I tried to get the Minister of Public Works to put up some protection works in that area, but I did not succeed; nor have I been able to succeed in having that done since I have been the minister myself. There are still no protection works at that point.

I do not know what should be done. The idea has been expressed, and it has a good deal to it, that the province and the federal government might come to an understanding as to the proportion of the cost to be paid on such works. I believe that would be all to the good, but just think of the amount of money that would have to be spent for this purpose every year. As hon. members know, floods occur all over the country, and if we were to carry on this work certainly it would have to be done gradually, because I do not believe the budget of my department would be sufficient to meet the cost.

Mr. Fulton: At the moment we were dealing mainly with erosion, which is not due to an unusual or catastrophic flood but which merely occurs at the high water season each year.

Mr. Fournier (Hull): Quite so. We do take steps when this damage is caused by some of our works, or to our works, or by navigation. In those cases we generally take action after the report is received, and we will continue to do that until agreements are made with the provinces concerning those works, if that should come about.

Mr. Herridge: Has the government of British Columbia or any member of it approached the minister or his department concerning assistance in connection with the construction of protection walls on the Columbia river?

Mr. Fournier (Hull): My official tells me that the hon. member who just spoke did approach us in connection with those works, but he has no knowledge of any other representation.

Mr. Drew: I do not want to discuss this point further, beyond emphasizing something that has been brought out by the minister himself. He points out that he would not want to carry on a program of public works without the protection afforded by the act. It is protection for the public, for the minister and for his officials.

Mr. Fournier (Hull): Don't try to make me blame someone else.

Mr. Drew: I am not suggesting that at all. I am pointing out that in this particular case we have reached the point where the work done by the Department of Public Works, which in the mind of the public and really in the minds of members of this house is the great construction department, amounts to $31,431,500, while the building done by other departments, which in the ordinary course of events are not supposed to be great construction departments, amounts to $107,124,205. In those cases they are not subject to the same requirements and we know of many cases—though how many we are unable to say—in which these works have been done without calling for tenders.

Knowing that we cannot change the presentation of these estimates at this time I can only leave the matter by repeating the request that the minister give earnest consideration to the desirability of placing before the government the suggestion that, except in unusual cases, the general construction program be brought together and placed under the same requirements which protect both the government and the public.

Mr. Fournier (Hull): I would not like to follow the leader of the opposition the whole way. Only yesterday we passed the Defence Supplies Act, which gives powers that are not contained in the Public Works Act; and they were put in that act for special reasons. In circumstances where the defence of my country would justify action without following this procedure, I would not want to be

committed to that procedure; but I am talking of ordinary works, buildings and other facilities, that are to be constructed. I could not undertake even to do the work that is being done by the national harbours board. They have special authority to do that work. When I say I would not like to act as minister under an act that would not give the public and myself and my officials that protection, I am concerned with the buildings that come under our jurisdiction. I would like to have this protection in connection with anything we undertake.

Mr. Drew: Just to keep the arithmetic straight I would point out that the entire national defence estimate for construction for the current year is $36,265,257, which still leaves $70,858,948 of construction under other departments. This is substantially more than the total called for under the minister. I am going to leave the figures at that point, simply as part of my argument that this whole subject should be reviewed.

Mr. Fournier (Hull): It is true, as the hon. member says, that the figure is quite large. The explanation I have here, which was given by Mr. Bryce though I had not seen it before, is that this amount includes provision for all expenditures on new construction of buildings, roads—we do not build roads—irrigation works, canals, airports, wharves—which we do build—bridges or other types of fixed assets. It includes major improvements and renovations involving changes of a structural nature, and also the installed cost of fixed equipment which is an essential part of the structure, such as elevators, heating and ventilating equipment. I do not think we would have the organization to undertake many of these things. Certainly I would not have the staff to look after these irrigation projects, which account for quite a large expenditure each year. As to anything that we ordinarily do in the department, however, I should like to see everyone follow the procedure that we have adopted.

Mr. Higgins: A few moments ago the minister said he did not believe in playing favourites in connection with public works. With that I entirely agree, and I do not think he does play favourites. When we were discussing his estimates last year, however, I drew his attention to the rather peculiar circumstance that the ridings of Liberal members in Newfoundland apparently were getting a much greater expenditure on public works than were the other ridings, and at that time I believe the minister agreed that it was a rather peculiar coincidence. I do not know the position under the present estimates; I have asked for the information, but have not been given any details as yet. Would the minister tell me briefly, riding by riding, what expenditures are to be made in Newfoundland this year? Then I may be in a better position to discuss the matter.

Before resuming my seat I have one or two other matters to mention. One rather important matter is the question of a public federal building. I understand one or two such buildings are scheduled for St. John's, and one of the sites suggested is the grounds of government house. I want to protest against that, in case any such decision should be made. I think that would be a very improper place for such a building, and certainly it would not be welcomed at all by the citizens of St. John's.

Mr. Stick: I will take it over in my riding.

Mr. Higgins: I think you are getting enough now. The other important matter is the question of the wharf at Portugal Cove. At first glance that may appear to be a minor point, but it is the terminal for Bell island, where we have the ore mine which has been in operation for the past fifty years. The people of Bell island, numbering some ten thousand, depend upon that wharf for everything they need, including all their food and clothing. Everything must pass over it. Perhaps I may be pardoned for saying that it is possibly the busiest wharf on the island of Newfoundland, in the sense of daily use. The wharf is in very bad condition at the present time. There appears to be some difference between the provincial authorities and your own department about who is going to undertake the repairs. I believe you have been informed of that matter. I am told that the provincial minister has written to you concerning it, and your deputy minister is fully aware of the condition. It is a serious matter. If the wharf is allowed to continue to deteriorate it will not be usable, and those people in that thriving and important community which supplies a great deal of iron ore will be in a serious situation. I plead with the minister that, whoever is going to be responsible for the repairs, something be done immediately.

There is some difference over the fact that a ferry is using the wharf part of the time, and therefore it should be entirely a provincial matter. I know from my own knowledge, because the wharf is in my riding, that a number of fishermen and schooners use it as well, so it is hardly just a ferry wharf. Whoever is responsible for the repair should do the work as quickly as possible or there will be a lot of unfortunate people in that community.

Mr. Fournier (Hull): I understand that Portugal Cove is a repair job, and that will be taken care of. The hon. member has

written to the department about the other information, and I understand we received the letter yesterday. The department is preparing an answer, and we will send it as soon as possible.

Mr. Browne (St. John's West): Last year in the supplementary estimates there were votes 704 to 709, and I wonder if the minister is in a position to say how much of those votes was spent in Newfoundland?

Mr. Fournier (Hull): I have not the books here, but would those votes be the ones concerning harbours or buildings?

Mr. Browne (St. John's West): I shall read them out. Architectural branch—

Mr. Fournier (Hull): On harbour works the amount spent in Newfoundland was $374,104.36.

Mr. Browne (St. John's West): There was a million dollars voted for that.

Mr. Fournier (Hull): Correct.

Mr. Browne (St. John's West): Has the minister got the others?

Mr. Fournier (Hull): We spent $211,655.31.

Mr. Browne (St. John's West): There are six votes, and the first one concerns the maintenance and operation of dominion public buildings and grounds, other than at Ottawa.

Mr. Fournier (Hull): That is where we spent the $370,000 in round figures.

Mr. Browne (St. John's West): The next vote concerns the construction, repair and improvement of public buildings.

Mr. Fournier (Hull): We spent the $211,000 there.

Mr. Browne (St. John's West): Then there is an item for the dominion immigration buildings, repairs, $40,000.

Mr. Fournier (Hull): I do not think that amount was spent. There will be a revote this year.

Mr. Browne (St. John's West): Then there was a vote for the engineering branch, including the salaries of engineers, clerks, etc., $255,000.

Mr. Fournier (Hull): Is that for the small works?

Mr. Browne (St. John's West): It is for the salaries of clerks and engineers, and contained an item for new plant of $100,000; sundries, operation and maintenance of inspection boats.

Mr. Fournier (Hull): When this vote came up last year it was for the extension of the service throughout the country, including Newfoundland. I have given the amount we spent, except the salaries, because I have not that list here.

Mr. Browne (St. John's West): The dredging of harbours and rivers: you have not given me that.

Mr. Fournier (Hull): It is $122,618.24.

Mr. Browne (St. John's West): How much was spent on harbours and rivers generally?

Mr. Fournier (Hull): That was the $370,000, in round figures.

Mr. Browne (St. John's West): Mr. Chairman, I do not think the minister really understands the question.

Mr. Fournier (Hull): Last year when we had the million dollar vote for harbours and rivers, that estimate was prepared just as Newfoundland came into the union. We had no idea what staff would be needed there, so we had to have a round figure without knowing exactly what we would spend. Out of that estimate we did spend $370,000.

Mr. Browne (St. John's West): I still do not think the minister understands the question I am asking. In the supplementary estimates up to March 31, 1950, there are six votes totalling $3,620,000. The minister has given me three figures, and that is all. Two of those votes are for a million dollars. On one of them I have received no information. If it is not convenient to get the information now, perhaps we can get it when we come to the particular item.

Mr. Fournier (Hull): Or else I shall ask my officials to look at *Hansard*, and send you the details about these votes.

Mr. McLure: Is the minister responsible for the air conditioning of this building? If so, he is responsible for a rotten condition. I might just as well say so here as to say it outside. Anyone who sits in here very long, with the direct draught blowing on him, will get the same kind of a cold as some of the rest of us have. I think it would be as well to die of bad air as to die of this new virus cold.

At this point I should like to refer to the number of people employed by the department. I always thought that many of these temporaries were put on during an election year. The Department of Public Works seems to employ about 7,000 people.

Mr. Fournier (Hull): It is 6,600.

Mr. McLure: There are 1,568 permanents, 5,277 temporaries, and then this new group is included of about 400 casuals or "casualties", I do not know which. In any event there are over 7,000.

Mr. Fournier (Hull): That is correct.

Mr. McLure: I want to compliment the minister, because this is the first year we have been able to find out how many temporaries there were. We ought to find out now what salaries are received by these temporaries. Are they all on the same rate, which would appear to run around $2,100, or what is the rate? The amount paid totals over $7 million, which would give these temporaries an average wage of $1,650. We would like to know how many of them have been temporary for a long time. Why are they still temporary? If they are all new people put on each year, surely there is some way of giving them some form of security? If you are employing these people year after year, why not give them the same sense of security that permanent civil servants have? I have said enough about those things before, but I wanted to bring them to your attention again.

There is another matter to which I wish to refer, and we may have something to say on it somewhere else, but it must be in the administration. In the last five, six or possibly seven years we have been promised a public building, known as the Dominion building, for Charlottetown. In the 1945 election I know it was a wonderful promise to dangle before the city, especially the labour people, and it was well dangled at that time.

An hon. Member: It worked.

Mr. Fournier (Hull): You were elected just the same.

An hon. Member: Certainly; they said they did not want it.

Mr. McLure: I barely got in. Five years afterwards it comes up again. There is no building built. However, I made a little bit better impression that time because I promised the electors faithfully I would get after it and get it.

Mr. Fournier (Hull): You are going to get it too.

Mr. McLure: There is no use in one side having it all. My colleague knew that he was going to be elected anyhow; and when I was promising to get this, it certainly helped me along. But we are no further ahead now. Here we are today in the position that in a certain part of the town the site has been selected, consisting of 24 or 25 properties, but I do not think any of them have been purchased yet unless a couple have been purchased lately. Now they are all in that court—what do you call it?

Mr. Fournier (Hull): The exchequer court.

Mr. McLure: They are in the exchequer court, and they are having a real checker play there. Properties in there belonging to some of the stalwarts of the party are valued as high as $100,000, which possibly cost in the beginning somewhere around $7,000 or $8,000 to build, and the land is extra. It will be amusing to see where these valuations are going to lead to. There is other property there, valued at $40,000, that I do not believe the minister would pay $8,000, $9,000 or $10,000 for it, any more than I would.

Mr. Gibson: You could get the whole island for that.

Mr. McLure: However, there are other properties that are being valued too low, but I suppose the court will decide on that. What I want to know is this. How long is it going to take before we get a valuation on them so that the properties can be purchased and the building started? I am afraid that it will not start this year. In fact, I did not go home at Easter and that was one of the reasons. Now I am afraid to go home at the end of June. I should like to be able to say to the people in my constituency that the minister stood up in the house and said: You are going to get that building and you are going to have it started inside of the next three or four weeks. There is one thing they could do. They could get all the properties, pull them down and give employment to the hundreds of men who are idle there at the present time. I should like to hear the minister make a really good statement on that matter so that I can take it back with me.

Mr. Fournier (Hull): I will not be in a position to make as good a statement as the hon. member himself made.

Mr. Smith (Calgary West): You do not have to go home.

Mr. Fournier (Hull): At any rate, I have not made the same promises that he made. It is true that we have had this estimate up for some years; it is going to be a fine building, and it will be a credit to the two hon. members for Charlottetown. Our difficulty is that, after the site was chosen—and it comprised about 22 properties—we saw that the people out in the island valued their property highly. Perhaps they were sentimental values, but at all events they had put a high price on their properties. As I explained earlier, I would hesitate to go into dealings with people who have such a high idea of the values of their properties.

Mr. Gibson: Too much sentiment.

Mr. Fournier (Hull): The only recourse we have is to go to the court we mentioned, namely the exchequer court, where experts will represent the government and will give

the values we think attach to these properties; and the owners will have their own experts there to give evidence. I am sure that the judge will give the proper decision, and that amount will be paid. That is the real cause of this delay with regard to the building. But I would not despair if I were the hon. member. I would go home next week just the same and repeat the promise, because the building is coming; when, I do not know.

Mr. Gibson: I wonder if the minister could give me an estimate of how much money is involved, in round figures, in this building he is discussing now? What I should like to do is to see how much it costs to buy a vote in Prince Edward Island.

Mr. Smith (Calgary West): I gather that the properties are being expropriated and that is the reason you are in the exchequer court.

Mr. Fournier (Hull): Yes.

Mr. Smith (Calgary West): Having expropriated, there is nothing to stop you from going ahead and doing your building, surely.

Mr. Fournier (Hull): Quite so. But on the other hand, when I am forcefully taking property from people, I do not like to just throw them out. We have tried to deal with some of these people. When I was not satisfied with the other valuations, I have even sent people from Montreal in order to get a third valuation. I do not think we can come to an agreement. We shall have to get a judgment and pay the amount awarded by the court. There are businesses located in these buildings. I think one or two of the banks are located there. Just to go there without having a judgment and to say, "Get out" is something that I do not like to do. That is what makes me delay and try to get a judgment as soon as possible.

Mr. Kickham: I want first to commend the Minister of Public Works and his department for the vote of money which he has given us for the renovation of the warehouse on the railway wharf at Souris and also for the appropriation for the dredging of the Montague river which is most necessary. It is necessary work and it had to be done to permit vessels to go up the Montague river and to load produce for Newfoundland, St. Pierre and other points.

In my riding of Kings county we have been asking the minister and his department for a considerably large vote of money for the renovation and extension of our wharf at Souris. I want to point out to the minister and his department that this is necessary work. I would hope that the minister would accept the plan proposed by Mr. H. E. Miller, our district engineer at Charlottetown. This plan provides for the extension of the present railway wharf—that is, the government wharf—and would provide room for a railway spur line that will enable smaller vessels to load at the wharf. At the present time we are unable to accommodate the smaller vessels because of the fact that in the heavy shipping season, which is in the fall and early spring, the large warehouse accommodates the larger vessels to be loaded for Bermuda and southern United States points, and we are unable to accommodate the smaller boats loading for Newfoundland, St. Pierre, Miquelon and Magdalen islands. If the department approves of that project and the railway wharf at Souris which we all believe is necessary, it would be a fine thing for the county of Kings, and unless we have that wharf extended and the wharf that was approved by the plan of the district engineer, it will be difficult for us to accommodate the shipping that would otherwise use that port of Souris. The port of Georgetown is also very important to the county of Kings. My people tell me that it is necessary to have the Queens wharf repaired and also the government railway wharf to accommodate the boats.

Mr. Fournier (Hull): We have two items in the estimates for these works.

Mr. Kickham: The Queens wharf and the Georgetown wharf?

Mr. Fournier (Hull): For Souris.

Mr. Kickham: Yes, but I was wondering whether or not the minister approved in full the plan of the district engineer, Mr. Miller.

Mr. Fournier (Hull): It is quite a big plan.

Mr. Kickham: Have you approved the plan or not?

Mr. Fournier (Hull): We are considering it right now.

Mr. Kickham: I do hope that you will approve Mr. Miller's plan.

Mr. Fournier (Hull): Hope springs eternal.

Mr. Kickham: Before taking my seat I wish to point out to the department—

Some hon. Members: Carried.

Mr. Kickham: I have not taken up much of the time of the house during this session. I hear some members say "carried". I think I am entitled to a few words. In Kings county we have a large fishing industry. Many of our harbours are too shallow to give free access to the motorboats that fish for lobster, hake and cod. I should like to take

this opportunity to impress upon the department the necessity of dredging harbour services for the north and south of my county.

Mr. Knowles: Earlier this afternoon the Minister of Public Works, in answering a question of the hon. member for Moose Jaw, said, if I understood him correctly, that his department did not take into consideration the employment or unemployment situation when it came to public works.

Mr. Fournier (Hull): No.

Mr. Knowles: You tell me what you did say.

Mr. Fournier (Hull): I did not say that we did not take it into consideration. I said it was not the duty of public works to have estimates before the house to provide relief for unemployment. The estimates we have before parliament are for public works needed by the public services of the country.

Mr. Knowles: Yes. The hon. member for Moose Jaw did not, today at any rate, suggest that money should be appropriated by public works just to provide work, but he was suggesting that the timing of public works might be made with a view to the unemployment situation.

May I remind the Minister of Public Works that in a sessional paper tabled on Wednesday, May 10, 1950, by his colleague the Minister of Resources and Development, this question was dealt with. To identify it, it is sessional paper No. 67J. It dealt with this question of mine:

> What federal public works projects have been undertaken in order to relieve unemployment since September 1, 1949?

This was the answer of the minister's colleague, the Minister of Resources and Development:

> The federal government's program of public investment, including public works, consists of worthwhile projects which will contribute toward the development of the country, and which can be implemented at such times as they will contribute to the maintenance of a high level of employment. In line with this policy, projects undertaken by all government departments since September 1, 1949, had full regard to the employment situation.

In that same connection, may I remind the Minister of Public Works that his department has contributed to another sessional paper No. 88D, tabled on Friday, June 2, 1950, in which information is given as to the money voted for public works over a period of a number of years, and not expended in each case during the year in which it was voted. I find that according to page 13 of this sessional paper the amount of money voted for public works projects for the Department of Public Works which was not expended during the year seems to have been growing. In the year 1945-46 the amount voted but not expended during that year was $2,379,759.07; in the year 1946-47 it was $14 million odd; in the year 1947-48 it was $17 million odd; in the year 1948-49 it was $24 million odd; and for the fiscal year 1949-50 up until February 28, 1950, there was still $37,939,441.55 which had not been expended.

I realize that these amounts are not sufficient to take care of the unemployment situation when it gets serious, but it does seem to me that there is a possibility of dealing in part with unemployment problems if there was a little more co-ordination between what the Minister of Resources and Development says and what the Minister of Public Works does by way of making full use of the money that is voted for public works, and timing it to meet the needs of the unemployment situation.

I am not complaining about the large amounts of money being voted for public works projects; I am complaining of the fact that year by year the amount that is voted but not expended seems to be increasing.

Item agreed to.

Architectural branch—

289. Branch administration, $437,290.

Mr. Green: I have one question on this item. Can the minister give us the total figure paid for the Alvin building in Vancouver? I believe that under the final terms of the option the price was to be $1,063,105; but in addition to that there were certain amounts paid as rental before this option was exercised, which by the way is a very unusual way to do business in Vancouver. Ordinarily the amount paid as rental would be applied on the purchase price when the option was exercised. I should like to get these two figures: First of all, the purchase price, and second the amount that was paid by way of rental, and which of course was lost to the government.

Mr. Fournier (Hull): The cheque that was issued for that building amounted to $1,066,-614.90. That is the amount paid to the Alvin estate.

Mr. Green: In addition to that there were sums paid by way of rental before the option was exercised. I would like to get the aggregate of such payments.

Mr. Fournier (Hull): I see that the rent was $183,995.

Mr. Green: Per year?

Mr. Fournier (Hull): Yes. The order in council authorizing this was dated February 8, 1949, and the order in council with respect to the purchase of the building was dated March 15, 1950. That was just before the expiry date of the option. So that we must have paid rental for about a year or a little over a year on the property.

Mr. Green: Perhaps the minister's officials could get that information and let me have it later.

Mr. Fournier (Hull): Yes; I shall send it to the hon. member.

Mr. Green: Because parts of the building were occupied before the whole building was completed, and the rent was payable on a pro rata basis.

Mr. Fournier (Hull): Yes, I understand.

Mr. Green: So one could not reach the proper figure by simply taking the amount of the rental set out in the order in council.

Mr. Fournier (Hull): I shall have the figure prepared for the hon. member.

Item agreed to.

Architectural branch—

291. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc., and to authorize commitments against future years in the amount of $500,000, $12,686,315.

Mr. Black (Cumberland): What progress is being made in connection with the renovation and repair of the public building at Springhill in my constituency? This is a growing town, and one of the best maintained mining communities in all Canada. What progress is being made?

Mr. Fournier (Hull): This is not new construction?

Mr. Black (Cumberland): Renovation and repairing of a public building which has been there a good many years.

Mr. Fournier (Hull): It would come out of our general vote.

Mr. Black (Cumberland): It would come under item 291, would it not?

Mr. Fournier (Hull): But I have not the details of it here.

Mr. Black (Cumberland): This vote involves an expenditure of more than $12 million.

Mr. Fournier (Hull): My officials tell me they have not before them the details of the contract for decorating. However, we can send for a report on it and let the hon. member have it.

Item agreed to.

Construction, repairs and improvements of public buildings—

292. Newfoundland, $455,000.

Mr. Higgins: Is this for new buildings?

Mr. Fournier (Hull): Gander is the only point where there is an addition to an existing building. I am told the others are new.

Mr. Higgins: What is the public building at Bishop's Falls to be?

Mr. Fournier (Hull): This is to provide for the construction of a public building for postal purposes. The post office at the present time is located in a privately-owned building which is old, small and poorly located. The Post Office Department requests the construction of a new building in category A. The Anglo-Newfoundland Development Company pulp mill has offered to donate a suitable site. Plans and specifications have not yet been completed.

Mr. Higgins: Is it to be of wooden construction?

Mr. Fournier (Hull): No, it will be a fireproof building.

Mr. Higgins: It will not be a very large one for that amount.

Mr. Fournier (Hull): So that the hon. member will understand, this amount which goes in the estimates for the first year is only for site, preparation of plans, asking for tenders and beginning works. I am sure we will never get through this building by March 31.

Mr. Higgins: This is not intended to be the full amount?

Mr. Fournier (Hull): No.

Mr. Higgins: What is the value of it?

Mr. Fournier (Hull): I cannot say before the plans and specifications are prepared.

Mr. Higgins: Plans and specifications are not ready?

Mr. Fournier (Hull): No.

Mr. Higgins: What about the building at Corner Brook?

Mr. Fournier (Hull): This is to provide for the construction of a public building for post office, customs, transport, trade and commerce, labour, agriculture, R.C.M.P. and unemployment insurance.

Mr. Higgins: And can the minister tell me where the postal terminal in St. John's is to be erected?

Mr. Fournier (Hull): Along the railway siding, I am told.

Mr. Higgins: And the other building there?

Mr. Fournier (Hull): We have not yet chosen the site. One of our difficulties is to have agreement as to the site.

Item agreed to.

Construction, repairs and improvements of public buildings—

293. Nova Scotia, $1,350,000.

Mr. Black (Cumberland): A building for post office accommodation, at Pugwash, was suggested to the minister before, and he gave some encouragement. According to revenue received, it is one of the buildings in Nova Scotia most greatly needed. I notice that under this heading the appropriation for Nova Scotia is only $1,350,000. That is less per capita than in any other of the provinces of eastern Canada, with the exception of Newfoundland. I am not objecting to the larger appropriation for Prince Edward Island; but New Brunswick with only four-fifths of the population of Nova Scotia has an appropriation about a million dollars greater. What progress is the minister's department making in connection with the public building at Pugwash?

Mr. Fournier (Hull): We are studying the situation there to see if we can do something about it.

Mr. Gillis: A few moments ago the hon. member for Winnipeg North Centre, and others, referred to the relationship of the minister's department toward relieving unemployment conditions in Canada. I am particularly interested in the subject because it affects my constituency. The minister stated his department did not anticipate that there would be any projects designed for that particular purpose.

The hon. member for Winnipeg North Centre pointed out that the Minister of Resources and Development took a different view. I was here when he made his statement, and I took some encouragement from it, because the department he represents is one which fluctuates. This department is a permanent department that works on public works projects year in and year out.

Mr. Fournier (Hull): Under a statute.

Mr. Gillis: Under a statute, but definitely they can create and promote necessary public works projects in sections that need them. So far as it is practical, I think they should design their activities to take care of sections where there is a bad permanent unemployment problem. The point I am getting at is that, in the return which the hon. member for Winnipeg North Centre just quoted to the minister concerning the appropriations made year by year to his department for certain works projects, it shows that a lot of money has been voted to the minister's department for public works projects in Nova Scotia and has not been spent. The return sets it out year by year. It goes back to 1945-46, and runs all the way from $243,000 for Nova Scotia in 1945-46 to over $3 million in 1948-49.

In the final break-down of the return it shows that at February 28, 1950, the total amount was $4,200,469.99. That is quite a lot of money in a province that size. The money was appropriated and involved considerable work in the minister's department. Surveys had to be made for the purposes for which the money was voted. Taking a quick look at the estimates for 1949 it appears that some $7 million or $8 million was voted to the minister's department for works projects in the province of Nova Scotia, but at February 5, 1950, half of that money was still unspent.

Mr. Fournier (Hull): When was it voted, what date?

Mr. Gillis: It was voted all the way from 1945 to 1949 and not spent. It accumulated to the figure I have given. The return shows that you owe the province of Nova Scotia over $4 million.

Mr. Fournier (Hull): Oh no. Do not confuse that. On the 10th of December, 1949, we voted the whole amount of the estimates. From the 10th of December, 1949, to the 31st March, 1950, we did not spend the amount voted. There was $3 million that we could not spend during the wintertime on these works. You know that we cannot work on wharves and breakwaters in Nova Scotia during the wintertime.

Mr. Gillis: I still contend that you owe us $4 million.

Mr. Fournier (Hull): If we owe you something we will pay it.

Mr. Gillis: Your department made surveys as to projects which are badly needed in that province. After all the work of putting the appropriations through and arguing about them, then you do not spend the money because winter comes along and you let the work lapse. What is your intention with regard to—

Mr. Fournier (Hull): They are good.

Mr. Knowles: It was ever thus.

Mr. Gillis: What is the intention with regard to carrying on the works projects involved in the amount of $4 million that has not been spent? Is it your intention to go ahead with these projects and spend the money?

Mr. Fournier (Hull): If you do not stop me we will go ahead.

Mr. Gillis: The estimates this year are pretty skimpy so far as public works projects in the province of Nova Scotia are concerned. I took a look at the Sydney end. There is $100,000 for a new public building in Sydney, and provision for a breakwater at Glace Bay. There does not seem to be anything else in the whole area, and you have a bad unemployment problem there. I still want to find out if you can explain what you are going to do with the $4 million that you owe us.

Mr. McLure: They are going to build the Canso bridge.

Mr. Gillis: There is a special appropriation for that.

Mr. Fournier (Hull): My hon. friend understands that on the 31st of March every year unexpended money reverts to the consolidated revenue fund. We have to vote new estimates every year because they lapse on the 31st of March. When such amounts lapse they are taken care of by revotes, and you can see them all through the estimates. We do not drop a project. We keep on working, and when the plans are ready and the season is proper we proceed with those works. The money will be spent.

Mr. Smith (Calgary West): The minister spoke of his good intentions. I have heard that the road to Hull is paved with good intentions.

Mr. Knowles: As to the vote for public buildings in Nova Scotia, I note from the details on page 222 that there is $86,000 included for a public building at Barrington Passage of which $25,000 is a revote. If my memory serves me correctly, we voted the $25,000 on the 10th of December last year. I should like to ask the minister two questions. Was anything done after December 10, 1949, with respect to proceeding with the public building at Barrington Passage? I should also like to know what else is covered by the $86,000 in addition to whatever was covered by the $25,000 voted last December.

Mr. Fournier (Hull): Remember that last year's main estimates were prepared in November, 1948. Then we had a session in the spring of 1949.

Mr. Knowles: And an election.

Mr. Fournier (Hull): We got three-quarters of the estimates through. Then we had an election and lost a good many friends. When we came back in the fall we had another session, and all we did was to vote the amounts that had been prepared in the fall of 1948.

Mr. Knowles: The $25,000 was a supplementary estimate.

Mr. Fournier (Hull): Then my argument is still stronger. From that time up to the 31st of March we thought we would acquire a site and retain architects to prepare plans. We started off in headquarters and estimates were prepared as to what it was thought could be spent on that building during the fiscal year 1950-51. I am told now that the estimated cost of the building, to be spent in 1950-51, is $86,000. That is why we ask for this vote.

Mr. Knowles: What does it include?

Mr. Fournier (Hull): That is the estimate of the total cost of the building.

Mr. Knowles: What was the $25,000 for? Was that just to acquire a site? Surely not.

Mr. Fournier (Hull): That was the amount we thought we would spend during the last fiscal year, and it was not spent.

Mr. Knowles: Is it not possible to break down the $86,000 into what the original $25,000 was for and what the additional $61,000 is for?

Mr. Fournier (Hull): I cannot do that now because I do not know the price we will pay for the site. I do not know the exact amount we will have to pay to the architects. We have not asked for tenders yet, and I do not know the amount of the contract. In preparing the estimates I take the advice of the architects in my department. They say they need a building containing so much space. It will be fireproof, it will be on a site of these dimensions, and it will be this and that. They say that should reasonably cost around $86,000. When my estimates come up next year I will give you all the details because the project will be advanced.

Item agreed to.

Construction, repairs and improvements of public buildings—

294. Prince Edward Island, $900,000.

Mr. McLure: Is item 294 for the new building that is going to be built some time—

Mr. Fournier (Hull): At Charlottetown.

Mr. McLure: —or for some other public work?

Mr. Fournier (Hull): The amount of $500,000?

Mr. McLure: Yes.

Mr. Fournier (Hull): That is $500,000 for your constituency. Then there is $375,000

for Summerside and $25,000 for Kensington. That covers your province, and you are getting the lion's share.

Item agreed to.

Construction, repairs and improvements of public buildings—

295. New Brunswick, $2,200,000.

Mr. Knowles: I should like to call the minister's attention to some answers he gave a short time ago in response to questions. I placed upon the order paper having to do with the erection of a public building at Woodstock, New Brunswick.

Mr. Fournier (Hull): Did you ask those questions for the hon. member for Victoria-Carleton?

Mr. Knowles: Well, he is not here at the moment, so I cannot get the information from him. At any rate, as appears at page 3466 and 3467 of *Hansard* for June 12, 1950, I asked the minister:

1. Did Mr. T. S. Hunter, district architect of the Department of Public Works, recently (between May 1 and May 18, 1950) visit Woodstock, New Brunswick, for the purpose of investigating possible sites for a new post office building in the town of Woodstock?

2. Did Mr. Hunter confer with Mr. D. R. Bishop?

3. If so, did such conference relate to the possible site for a new post office building in Woodstock?

The answers to those first three questions were yes. So far so good. Question No. 4 was:

4. Who is Mr. D. R. Bishop and what official position, if any, does he hold in relation to federal government matters?

There are several more questions—

Mr. Fournier (Hull): What was the answer?

Mr. Knowles: The answer to questions 4, 5, 6 and 7 was "Not known".

Mr. Fournier (Hull): That is true. I do not know this Bishop; I do not know who he is.

Mr. Knowles: Let me carry on and I may tell you.

Mr. Fournier (Hull): Oh, you know? Then you do not need information from me; you are giving me information.

Mr. Knowles: Well, if I give the minister some information he may be able to go on from there and answer some further questions. In reply to the question as to who this Mr. Bishop is, the minister says that is not known. He knows Mr. T. S. Hunter conferred with him, but he does not know who Mr. Bishop is.

My next question was:

5. Has Mr. D. R. Bishop been a candidate in any federal election campaign for the electoral district of Victoria-Carleton? If so, for what party?

[Mr. Fournier (Hull).]

Again the answer is "Not known." I should have thought the Minister of Public Works would be a better party man than that.

Mr. Fournier (Hull): I do not know all our supporters.

Mr. Knowles: He will find from the records that Mr. D. R. Bishop was the Liberal candidate in Victoria-Carleton last June and polled a certain number of votes, but lost the election. Now we have the answer to that question; Mr. D. R. Bishop is the defeated Liberal candidate in Victoria-Carleton. That is the man with whom Mr. T. S. Hunter conferred with regard to a site for this post office, a man whom the Minister of Public Works does not know.

Next question:

6. Does he have anything to do with federal government patronage in or for the electoral district of Victoria-Carleton?

Again the answer is "Not known." The minister did not say "No"; he just said "Not known."

Mr. Fournier (Hull): I have never seen the man; he has never spoken to me, and I do not recall ever having received a letter from him. What would you want me to answer?

Mr. Knowles: The next question was:

7. If so, is the patronage he handles restricted to matters relating to the Post Office Department and the selecting of sites for post office and customs buildings, etc., or does he handle patronage for other federal government departments, and if so what departments?

Mr. Fournier (Hull): I am a bad witness; I don't know.

Mr. Knowles: Yes, that is the answer; the minister does not know. Well, the inference from the answer to that question is that it could be that Mr. D. R. Bishop is handling the patronage for the federal government down in Victoria-Carleton.

Mr. Richard (Ottawa East): Where is the patronage you are talking about? You are suggesting there is some.

Mr. Knowles: Certainly it is not denied by the minister in replying to that question.

Mr. Richard (Ottawa East): Ask him the question.

Mr. Knowles: If the hon. member for Ottawa East wants the information, I have it here. If the minister and the hon. member would like to know I can tell them that this Mr. D. R. Bishop not long ago published a paid advertisement in the Hartland *Observer,* a paper published down in the constituency of Victoria-Carleton, pointing out that he had documents to prove that he, not the sitting

member, was the person responsible for contracts, the choosing of sites and various other things that are being done by the federal government in Victoria-Carleton.

Mr. Fournier (Hull): Could I stop him from doing that?

Mr. Knowles: My point is that I am amazed to discover that a defeated Liberal candidate seems to have the say which this Mr. D. R. Bishop claims to have with respect to various matters in that constituency. I hear members on this side of the house say they know who handles the patronage in their own constituencies, particularly some of the members coming from eastern Canada. I do not know who handles it in Winnipeg North Centre, nor do I want to know, though it may be some hon. members on the Liberal side will know. I am complaining as strongly as I can against this whole business of patronage. We had it here the other day, when the hon. member for Temiscouata wanted all the Tories, C.C.F.'ers and Social Crediters fired from the Canadian Commercial Corporation.

Some hon. Members: Hear, hear.

Mr. Knowles: There it is, Mr. Chairman; those Liberals seem to want to run everything on a party basis.

Mr. Ferrie: What happened in Saskatchewan when the C.C.F. government got in?

Mr. Fournier (Hull): Please; we are on the estimates of the Department of Public Works.

Mr. Ferrie: What did Douglas say?

The Deputy Chairman: Order. It seems to me we are discussing item No. 295, which refers to expenditures for the province of New Brunswick.

Mr. Knowles: That's right. Item 295 provides $2,200,000 for public buildings in the province of New Brunswick. If we turn to page 223 we find included in that amount $100,000 for a public building at Woodstock, New Brunswick, and I am talking about that public building.

The Deputy Chairman: Perhaps the hon. member was not talking about that public building when I called him to order.

Mr. Knowles: Well, I was not too far away from it.

Mr. Smith (Calgary West): On a point of order, Mr. Chairman, I do not think the hon. member should continue to use expressions such as "I was amazed that defeated Liberal candidates should have the patronage in these ridings". We all know they have; it is not amazing to anyone. Let the hon. member be accurate.

Mr. Knowles: It is not often that I am in this position, but I am very happy to accept the correction made by the hon. member for Calgary West.

I may say that I put that series of questions on the order paper in the first instance because I had seen this paid advertisement by Mr. D. R. Bishop in which he claimed that he had documents to prove—

Mr. Fournier (Hull): Who gave you that clipping?

Mr. Knowles: The hon. member for Victoria-Carleton.

Mr. Fournier (Hull): I thought so.

Mr. Knowles: After all, I have asked a number of questions in this house concerning patronage. Hon. members know that. Those questions may have been a bit embarrassing at times. It is not surprising to me that some hon. members in various parts of the house, whenever they have these items that confirm that there is patronage, have drawn them to my attention. The member for Victoria-Carleton also gave me a copy of the *Sentinel Press* from Woodstock, New Brunswick, dated Thursday, May 18, 1950. It was in this copy of the *Sentinel Press* that there appeared the story of the visit to Woodstock by Mr. T. S. Hunter. The article contained this sentence:

> While in Woodstock Mr. Hunter conferred with Mr. D. R. Bishop . . .

Mr. Fournier (Hull): And others.

Mr. Knowles: Oh, no. The article does not say "and others". I presume he did, but so far as the *Sentinel Press* is concerned Mr. Hunter conferred only with Mr. D. R. Bishop. I suggest that this business of patronage is difficult to uproot by a single speech, or even by a dozen questions during the course of the session. But I did hope to draw it to public notice in this way, and that by having it drawn to public attention so well as it was done yesterday by the member for Temiscouata we may see the last of it. I like the Minister of Public Works, and I hate to find signs of it in his department. He is the last minister in the government I would expect to condone it in any way at all.

Mr. Fournier (Hull): I am still a live politician, just the same.

Mr. Knowles: I still like the minister. I hope the minister will be careful when he gets his advice, not only in the constituency of Victoria-Carleton but in all other constituencies, to get it from other than defeated Liberal candidates or even sitting Liberal members. He should get advice from experts in the field.

Mr. Fournier (Hull): Mr. Chairman, I cannot let this pass without a few sentences in

reply. When this item was put in my estimates, it was upon the representations of people in whom I have confidence. We looked into the request, and got reports that the need was there. I believe the actual building in Woodstock was erected in 1883. I did not look at the riding in which it was located.

As I explained earlier this afternoon, the first thing we do is to look for a site. We send the resident architect, who happens to be Mr. Hunter, to look over the situation. I am told he saw six or seven people. The report is that amongst the people he saw was one Mr. Bishop. I did not even know that he was the defeated candidate, but that is not against him. Perhaps he knows the place well. You say that he handles the patronage, and he brags about it. That is not within my knowledge. I speak to every member of parliament, defeated candidates, and everyone, and you cannot imagine what advice they give me. I do not always rely on that. I get the officials to go to the place and make a report on the site. If that official goes into Mr. So-and-So's home, I hope you do not blame me for that.

Mr. Knowles: I did not think the minister knew anything about it, and that is the reason I brought it up.

Mr. Fournier (Hull): I do not know that gentleman living at Woodstock. The only member of the party I know in that riding is my friend the sitting member. I am not going to stop putting up a building in Woodstock because Mr. Bishop received a visit from an official of my department. I do not think it would be reasonable to refrain from erecting the building because Mr. Bishop brags about patronage.

Mr. Knowles: Just one sentence and I am through on this item. I was not objecting to the erection of the building.

Mr. Fournier (Hull): If you speak that way, you discredit the building.

Mr. Knowles: I was objecting to the government taking advice from the defeated Liberal candidate as to the choice of the site for the building.

Item agreed to.

Construction, repairs and improvements of public buildings—

297. Ontario, $10,000,000.

Mrs. Fairclough: Mr. Chairman, I trust the applause is an indication of approval. With reference to this item, and the details which appear on page 225 which indicate an office building for Hamilton, and the appropriation listed in the amount of $300,000, does it refer to the proposed building at the corner of Caroline and Main streets in Hamilton?

[Mr. Fournier (Hull).]

Mr. Fournier (Hull): This amount is required towards the erection of an office building in Hamilton, Ontario, to provide accommodation for the following departments: veterans affairs, unemployment insurance commission, trade and commerce, national defence, labour, transport, agriculture, national revenue, health and welfare, customs and immigration. Strong representations have been made by the Minister of Veterans Affairs and the Minister of Labour regarding the necessity for immediate action.

Plans and specifications have not yet been prepared. However, preparation of them is being undertaken by Mr. Hugh D. Robertson, architect, of Hamilton, Ontario. The tentative estimated cost is $1,250,000. The expenditure for 1949-50 was $116,051.63. A new vote will be requested for 1950-51 of $165,000. The total vote requested for 1950-51 is $300,000. The hon. member will understand that this is the amount we expect to spend during that year.

The site to be acquired for the proposed building is the Caroline street school property being the block-end bounded by George, Caroline and Main streets. The property has a frontage of 194 feet 5 inches on Caroline street, and depths of 241 feet 3 inches and 235 feet 11 inches on George and Main streets respectively. The property is owned by the Hamilton board of education. Notice of expropriation was filed on this property March 4, 1948. The Hamilton board of education originally forwarded an asking price in the amount of $234,415. However, as a result of negotiations, this offer has been reduced to $215,000, and the department proposes to acquire the property at that reduced figure.

An order in council dated February 24, 1949, authorized an advance payment of $99,000 to the Hamilton board of education from 1948-49 funds. An order in council dated May 17, 1949, authorized the payment of the sum of $215,000 to the Hamilton board of education in full and final settlement of the above-mentioned property at Hamilton, Ontario, such amount to include the advance payment of $99,000.

Mrs. Fairclough: I noticed the $99,000 payment in last year's estimates. This $300,000 then will not do more than pay the purchase price of the property.

Mr. Fournier (Hull): And pay for the plans and specifications.

Mrs. Fairclough: Can the minister tell me at what stage the negotiations are at the present time, and how soon work might commence on this project? I know that is a difficult question to answer, because one never

knows how long it is going to take to draw plans. As a matter of fact, this property has been standing idle for some time. I believe negotiations were started about two years ago. Just prior to the election of 1949 the old building was demolished and the land was levelled. In the meantime a few sign-boards have been erected on the property, and the rumour is abroad that the property is to be resold. I take it the minister's remarks would effectively deny that rumour. I am glad, because the building is vitally needed in Hamilton where the government departments, some of which the minister has mentioned, are housed in various buildings in different sections of the city. When given up by the government departments, the space in these buildings could easily be rented.

At one stage in the proceedings a member made the remark to the Hamilton city council that it was hoped the erection of this building would be commenced this year, so that when the autumn of the year came along and construction trades were in need of work this particular project might ease the local situation. From the minister's remarks I would think that is a rather remote hope. Does the minister expect the work to commence this year?

Mr. Fournier (Hull): I have given the list of departments requesting space in that building. We are getting the architect to allot space for veterans affairs and these departments, and he will then draw the plans and specifications according to those requests. I am told that the plans themselves, when these requests are looked after, will take at least six months to prepare. For a building of $1,500,000, my experience has generally been that the plans and specifications take a year to prepare. Then time has to be allowed for the calling of tenders, because the moment we receive those plans we advertise for tenders. The amount we have today in this estimate is the amount we think we will spend during the current fiscal year.

Mrs. Fairclough: In that event, there could be no hope at all of proceeding this year at least.

Mr. Fournier (Hull): I would not want to say that. I have been greatly disappointed myself many times by delays in the preparations of plans and specifications. Remember my good friend the hon. member for Queens. He has been waiting a long time but he is not despairing yet.

Mrs. Fairclough: I may say I am pleased that the architect is in Hamilton. Maybe I can do something from that end.

Mr. Pouliot: I should like to quote the example of the hon. member for Hamilton West to the hon. member for Winnipeg North Centre. The hon. member for Hamilton West has been practical in supporting a justified expenditure for her constituency. If the hon. member for Victoria-Carleton had been here, I wonder if he would have spoken as did the hon. member for Winnipeg North Centre. He probably did so because he did not represent the constituency. As an old politician, I will tell him never to oppose the construction of any public building in any province in Canada.

Mr. Knowles: Is that how you got your railroad?

Mr. Black (Cumberland): I should like to inquire from the minister if the continuity of plans is going to be followed with respect to the public buildings in Ottawa and in central Canada, having regard to their design and the building materials to be used. I notice a large number of appropriations, including one in Hamilton for a substantial public building. The most important public buildings in Ottawa, including the parliament buildings, are trimmed with stone from Wallace, Nova Scotia. This building, including the peace tower, has Wallace sandstone which is recognized as the equal of the best in the world, if not the best. The fact that it is being used in buildings such as this, in the national museum building, in the Confederation building, in the customs building, in the national research and a number of other buildings in the city shows that it has been recognized as being of the highest quality. Few materials the product of the maritime provinces come to central Canada. I should like to ask the minister what public buildings are under construction at this time, or are being designed, that call for the use of Wallace sandstone.

Mr. Fournier (Hull): I understand that in the specifications we cannot say that it has to be Wallace sandstone. We probably have the word "sandstone" if it is to be that kind of stone.

Mr. Black (Cumberland): I think it is usually specified as Wallace sandstone.

Mr. Fournier (Hull): I am told that we do not do that. That would cut out competition if we just put in this particular stone.

Mr. Black (Cumberland): I think that the contractor is required to know what kind of stone is going to be used.

Mr. Fournier (Hull): Yes. He bids on sandstone, and he generally specifies the quarry from which that stone will come.

Mr. Black (Cumberland): I understand that the architects specify the quarry from which the sandstone is to be procured. There is some extremely inferior sandstone, and some inferior sandstone has been used in this building. It came from the United States, and is Ohio sandstone. It was used at the rear of the building and is now sanding off quite badly, but it was recovered from the old parliament buildings which were destroyed by fire. I presume the Department of Public Works of that day thought that they were saving some money by using stone that had already been utilized in the original parliament buildings.

Mr. Fournier (Hull): We do specify sandstone of such and such a quality. But we cannot say that it has to come from one quarry or the other quarry. I think that would not be according to the act and that it would not be fair. We have got to give to the owner of every quarry a chance to try to sell his wares. If the quality is there and the price is the lowest, he generally gets the contract.

Mr. Black (Cumberland): May I ask the minister if the stone that is specified will be specified as Canadian sandstone, or as sandstone from Nova Scotia or from the maritime provinces rather than imported sandstone?

Mr. Fournier (Hull): It is mentioned in the contract, I think. It is Canadian stone. That is what I am told.

Mr. Cardiff: I notice that in this item there is an appropriation of $10 million for Ontario. In going down through the various items I find that for the city of Ottawa the items listed here come to $5 million, which is half the appropriation. That may be perfectly in order, but Ontario is quite a sizeable place; and if that amount of money is going to be spent in Ottawa, then of course there is not going to be much left for any other one particular place. I should like to ask about the item of $200,000 for the east block; it was $400,000 last year and it is $200,000 this year. Does the minister know whether that is going to be all that is required to complete that work?

Mr. Fournier (Hull): No. I am sure that it will not be all but at the moment I cannot give you any further information. I mentioned this morning that this is done on a fixed fee contract because we could not get specifications prepared or get anybody to give a firm price on the alterations to be made. We had to go step by step before we found out exactly what should have been done. When we started off on it we were told, after some inspection, that the roof would last a few more years. While we were doing the other work, we found out that we had to replace that roof immediately. That is what we found in a building that we put up some eighty years ago. I cannot see any other way of proceeding if we want to keep that building. You could argue perhaps that it should have disappeared; but if we had had it torn down, you would have found much objection on the score of interfering with the symmetry of the grounds. These are things that even my department do not like. They are just tricky jobs where you hardly know what they are going to cost. Even contractors do not like them. They will not bid.

Mr. Cardiff: I am not complaining about it because I realize that it is long past the time when it should have been taken care of.

Mr. Fournier (Hull): During the war they would not give me any estimate for repairs to buildings.

Mr. Cardiff: That is quite true. However, I have another question I should like to ask the minister and that is in regard to the sound reinforcement system for the House of Commons.

Mr. Fournier (Hull): I spoke of that this morning.

Mr. Cardiff: If it was dealt with then, I shall not pursue the matter.

Mr. Black (Cumberland): There is one question the minister did not answer. What departmental buildings are now being projected or are under construction in Ottawa following out the general architectural design of the major buildings now here?

Mr. Fournier (Hull): We are putting up the veterans affairs building. The contract for the east part of the veterans building was awarded some five or six weeks ago. Then there is the statistics building on Tunney's pasture. The contract was awarded some time ago. We propose to put up a fireproof building for the 1951 census, which afterwards will become a storage building. It will be on Tunney's pasture. It is a building which we urgently need to take the records from office space buildings which are occupied now, and they have no more space for them. We are also putting up vaults for the film board, because they have become so dangerous that we dare not keep them unless they are put in a fireproof building.

Mr. Adamson: They are so subversive, are they?

Mr. Black (Cumberland): In these major departmental buildings is the general architectural design being followed? What are the contract prices for these buildings that have already been let to which the minister has referred?

Mr. Fournier (Hull): Speaking from memory, the veterans building was $5,170,000, or around there. That was the lowest bid. The highest bid was $5,850,000. The contract was given to the lowest tenderer.

Mr. Black (Cumberland): Who was the lowest tenderer?

Mr. Fournier (Hull): A. W. Robertson Limited. I think there were eight or nine tenderers who tendered on that building. The Foundation Company of Canada have a contract for the statistics building.

Mr. Black (Cumberland): What is the contract price, there?

Mr. Fournier (Hull): The contract price is $185,000 for the excavation and foundations.

Item agreed to.

Construction, repairs and improvements of public buildings—

298. Manitoba, $1,400,000.

Mr. Knowles: What is the situation now with respect to the new post office building in Winnipeg? I realize that when the minister makes these forecasts he is no doubt out on a limb a bit. I could remind him, however, that on December 10 last year he indicated that the department would be able to call for tenders for this building in June or July of this year.

Mr. Fournier (Hull): I was wrong. I admit that, because the other day I had on my desk some papers concerning the site.

Mr. Knowles: Can he give us a new forecast?

Mr. Fournier (Hull): I am no prophet in these matters. I am told that the architects preparing these plans have been working on them for nine months now; but this is one of the buildings where the estimate was more than the building in Hamilton, and I would not be surprised if it should take some more months before they are ready with the plans and specifications. But I really hope that some day this year I will be able to ask for tenders on that building. Is that definite enough for my hon. friend?

Mr. Knowles: It is clear then that if there is any hold-up it is due to the delay in getting the plans completed?

Mr. Fournier (Hull): We are just waiting for the plans. We are ready the moment we get the plans.

Mr. Knowles: The property has been expropriated?

Mr. Fournier (Hull): Oh, yes, it has been expropriated; if we had the plans tomorrow we would have them approved by the officials and ask for tenders.

Mr. Knowles: Therefore I may not have to ask these questions in the next session of parliament?

Mr. Fournier (Hull): I hope there will be no more questions on this building.

Mr. Knowles: That is up to you.

Mr. Black (Cumberland): Who are the architects for these buildings? Are they departmental architects, or are they selected in the different localities where the construction work is being undertaken? For instance, who are the architects for the buildings proposed in the city of Ottawa?

Mr. Fournier (Hull): The architect for the big building, the veterans building, is Allward and Gouinlock from Toronto; for the statistics building it is Ross and Patterson of Montreal; for the Winnipeg building it is Green, Blankstein, Russell Associates of Winnipeg.

Item agreed to.

Construction, repairs and improvements of public buildings—

300. Alberta, $2,600,000.

Mr. Smith (Calgary West): The details of this item appear on page 228. Since everybody is complimenting everybody else I want to compliment the Liberal members from Edmonton on getting from the pot $1,100,000, while the city from which I come gets $20,000. I do not say this by way of complaint at all. I am sure the building will grace the city of Edmonton and will reap its reward in the high esteem in which these members are already held there, together with a certain Liberal, a late member of this house, who is now a Senator in the other place. I wish them all well.

There is, however, one item I wish to ask about, namely, the public building at Brooks in the province of Alberta, for which $100,000 is being appropriated. My first question is, is that a post office?

Mr. Fournier (Hull): This amount is required for the purchase of a site and erection thereon of a public building to provide accommodation for the Post Office Department. The deputy postmaster general states that the present rented quarters do not provide adequate accommodation. Plans and specifications have not yet been prepared. However, a suitable building and site are tentatively estimated to cost $100,000. The deputy postmaster general writes to us and insists that we give priority A to this project. That is all I have on my file.

Mr. Smith (Calgary West): I want to agree with the Postmaster General. There never was a place which needed better facilities

more than does the town of Brooks, which is perhaps the fastest growing town in western Canada, and is becoming one of the wealthiest towns in western Canada. I had hoped that the matter had advanced a little further—I think perhaps it has, as a matter of fact. I am merely commending those who made this possible. I hope it is the hon. member for Medicine Hat, although I have some doubt about it. He is not the defeated candidate, of course. But we are very happy to know that this much-needed work is being proceeded with. Since it is a small building, I gather there is no doubt that work will commence during the present year.

Mr. Fournier (Hull): I will do my best.

Mr. Smith (Calgary West): It is only $100,000; it is a small project. I think the minister has his eye on a corner there. I think it is a very good corner, too.

Mr. Fournier (Hull): We shall do our best to proceed.

Mr. Smith (Calgary West): If you do your best it will be finished by winter.

Mr. Decore: Are any of these public buildings listed under Alberta to be used for police barracks or not?

Mr. Fournier (Hull): No; I am told not; they are office buildings.

Mr. Decore: Would police barracks come under the Department of Public Works or not?

Mr. Fournier (Hull): No; there is no amount here for barracks. What we do is this: When they do have an amount, they transfer the funds over to us, and we proceed with the work.

Mr. Smith (Calgary West): They do not own any of their detachment offices out through the country. I happen to know they are all rented from some local people. I know of no contemplated major expense by way of large barracks.

Mr. Fournier (Hull): They own their own barracks, but they have not the staff to proceed with plans and contracts.

Mr. Macdonald (Edmonton East): I should like to thank the hon. member for Calgary West for drawing to the attention of the minister the need for a public building in Edmonton. Edmonton is a rapidly expanding city. For many years they have had a beautiful public building in Calgary, and a federal office building is sorely needed in the city I have the honour to represent. I hope that in view of the expanding economy of Edmonton the department will continue to review the situation with regard to giving adequate office space.

[Mr. Smith (Calgary West).]

Mr. Smith (Calgary West): They write seven or eight letters out there now.

Mr. Harkness: As the hon. member for Calgary West pointed out, the only vote here for Calgary is for an addition and alteration to the weights and measures building amounting to $20,000. What happened to the vote for about $200,000 which used to be revoted at every session for a building to be erected not far from the courthouse in Calgary? Why has it been dropped?

Mr. Fournier (Hull): When did we have that item?

Mr. Harkness: It was always there, up to the time of the election; but since the election it seems to have been dropped.

Mr. Fournier (Hull): We will call another election soon.

Mr. Harkness: I remember having a discussion with the minister about two years ago with respect to this building?

Mr. Fournier (Hull): Perhaps we discussed too much.

Mr. Harkness: I remember the minister assuring me that work would begin in a few months. Nothing has been done, and now even the vote has disappeared.

Mr. Fournier (Hull): Is the hon. member sure we did not put that building up?

Mr. Harkness: I am sure you did not. I am certain the building was to be put up, and that that has not been done. Would the minister find out what has happened to it?

Mr. Fournier (Hull): I shall look into it and let the hon. member know later.

Mr. Beyerstein: I should like to ask a question regarding the proposed post office at Stettler, Alberta. I wrote to the minister some time ago and his answer at that time was satisfactory. Have there been any further developments?

Mr. Fournier (Hull): Has the Post Office Department requested the building?

Mr. Beyerstein: Yes.

Mr. Fournier (Hull): Then, it is on its way, and I shall be looking into it.

Mr. Harkness: The minister will probably recall that for the last three years I have been asking about a customs and immigration building at Coutts. There has been a vote in for it every year since I have been here. Has any actual work been done? The building which has been there is a disgrace to the country, in that it creates a bad impression among the large numbers of American tourists who visit Banff national

park and the Calgary stampede. The vote has been there for a long time, but so far as I know the work has not been done.

Mr. Fournier (Hull): I have good news this time. Order in council P.C. 480 of February 3, 1950, granted authority to accept the lower of two tenders submitted, that of the Bird Construction Company Limited of Lethbridge, Alberta, for $440,752 for the construction of a customs and immigration building at Coutts, Alberta. The second tenderer was the General Construction Company of Alberta Limited, at $567,962. They must be working at it now.

Mr. Harkness: I hope they are.

Mr. Beyerstein: I did write regarding the post office at Stettler, and he said he would probably submit a supplementary estimate at this session.

Mr. Fournier (Hull): I cannot announce that in advance. I could not give a list of the supplementary estimates, before they have been approved by treasury board.

Item agreed to.

Construction, repairs and improvements of public buildings—

301. British Columbia, $3,150,000.

Mr. Herridge: Has the site for the proposed new public building at Trail been chosen, and who are the architects in connection with the alteration and extension of the public building at Nelson?

Mr. Fournier (Hull): We are not as advanced as that in Trail. I see we have not yet bought the site. I would hesitate to appoint architects without having the site.

Mr. Herridge: I am speaking more particularly about Nelson. There are improvements there to cost $75,000.

Mr. Fournier (Hull): This is the first time that has appeared in the estimates. I have to get the money before I give instructions. This is the first time this vote has been up.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. R. E. Anderson (for Mr. Winkler) moved that the following bills be read the second time:

Bill No. 304, for the relief of David Allan Ferguson.—Mr. Winkler.

Bill No. 305, for the relief of Ann Louise Fuller Brais.—Mr. Winkler.

Bill No. 306, for the relief of Helen Leola Davidson Hunter.—Mr. Winkler.

Motion agreed to and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

PIPE LINES ACT

PROVISION FOR LOCATION OF MAIN LINE ENTIRELY WITHIN CANADA

Mr. J. S. Sinnott (Springfield) moved the second reading of Bill No. 132, to amend the Pipe Lines Act.

He said: Mr. Speaker, the purpose of my introducing Bill No. 132, an act to amend the Pipe Lines Act passed in 1949, was to insert in section 12 of chapter 20 of the statutes of 1949 in the fourth line of the section the following words:

Whereof the main line shall be located entirely within Canada.

You will recall, Mr. Speaker, that in 1949 a charter was granted to the Westcoast Transmission Company, and at that time information was given to the house that the intention of the company was to build a line from the Alberta oil fields to the western coast of British Columbia, and from there down the west coast to Bellingham, Everett, Seattle and Portland. Shortly after the charter was granted to the Westcoast Transmission Company Limited they made application for another route, namely, down through the Crowsnest pass into the United States, and proposed to build a feeder line back to Vancouver and into the smelter plant at Trail.

You will recall, Mr. Speaker, a speech made by myself in the house on April 3, 1950. As recorded at page 1481 of *Hansard* I said at that time:

All that parliament is being asked to do is to give these companies now applying for a charter the same opportunity and the same privilege as was given to the Westcoast Transmission Company.

That was the purpose of my introducing this bill.

We on this side of the house do not believe in monopolies and, therefore, would like to see some competition. In view of the facts that I have stated, will anyone suggest that the Sunray Oil Corporation of Tulsa and Los Angeles or the Pacific Western Oil Corporation of Los Angeles or the Tidewater Associated Oil Company of San Francisco are interested in developing Canada first? The answer is, "Certainly not." If the Westcoast Transmission Company are sincere they will make application immediately to withdraw their application to build outside Canada and state clearly that they will follow an all-Canadian route.

I understand that shortly after I made that speech in the House of Commons on April 3 the Westcoast Transmission Company showed their sincerity, for which I thank them very much, and made an application to withdraw the proposed construction of a pipe line along the route I formerly mentioned. As you will recall, on April 3 I introduced a bill to amend the act granting a charter to the Westcoast Transmission Company in order that they should be compelled to follow an all-Canadian route. Since that time I have withdrawn that bill because of the fact that the company has now demonstrated its willingness to follow an all-Canadian route.

Since the applications for charters of Prairie Transmission Lines Limited and the Alberta Natural Gas Company were granted by parliament after a long debate in the house and in the committee stage, much information has been obtained which we did not possess before. I am not alarmed at the present time that there will be built outside Canada any pipe line that can reasonably be constructed within Canada itself following an all-Canadian route to the west coast. I have great faith in our Prime Minister (Mr. St. Laurent), the leader of the Liberal party. I should like to refer to a statement which he made on May 5, as recorded at page 2229 of *Hansard*:

> I am not going to suggest that the protracted debates in this parliament about the desirability of an all-Canadian pipe line for the gas and oil of Alberta has been a waste of time. It has aroused public opinion as to the desirability of doing that if it is possible. I would expect that that would not be lost from the point of view of the members of the board of transport commissioners and that they would not lightly disregard the unanimous desires of Canadians that their own territory be used to the greatest possible advantage. I would expect that when they got an application and before they approved anything, they would want to be shown that there is or there is not a practicable way of doing it without going out of Canada. I would expect that they will require the applicants to satisfy them that surveys of the various routes mentioned in this discussion have been made.
>
> I do not claim to know enough about the topographical conditions, about the mountain passes, to be able to formulate an opinion as to whether or not they present insuperable difficulties. But if I were a member of the board charged by parliament with the responsibility of making that kind of a decision and were called upon to exercise my judgment, I would want pretty full evidence that it could not be done in Canada before I would put my signature to a plan or project that was not going to be carried out in Canada.

As has been pointed out by many members of the house, owing to the fact that these other applications are before the board of transport commissioners, I cannot see any reason why the board would grant a charter outside Canada if it were possible to build the line within Canada. I am not one of those who believe in boards or commissions. I think the more power that is left within parliament itself the better the interests of the people of Canada, or of any other country, will be safeguarded.

In view of the fact that there are enough companies now granted charters to compete in building these pipe lines, and having the assurance of the Prime Minister that the line itself will be constructed in Canada if at all possible, I am led to believe that at the present time I should drop this amendment and leave it to the board of transport commissioners to carry out the views expressed in the remarks of the Prime Minister which I have just quoted. I therefore ask, Mr. Speaker, to have permission to drop the bill at this time, and if necessary introduce it again at a later date.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, before the hon. member receives permission to drop the bill I should like to say a few words because of the debates we had on this important question. I was one of the group who were most insistent on the necessity for an all-Canadian route. First of all I must congratulate the hon. member for Springfield (Mr. Sinnott) on his versatility, shall I say, in the drafting of the bill. I do not know of a farmer in Canada who could do a better job. Nevertheless I am rather surprised, after his strong statement on the introduction of the bill, that he has now decided to drop it. I was rather surprised when I heard him ask permission of the house to drop it. The purpose of this bill is to amend the Pipe Lines Act, and the principal amendment is the insertion of the words underlined, "whereof the main line shall be located entirely within Canada." With other hon. members who have taken part in previous debates, I strongly support this amendment to the general act. Since we had those lengthy debates, Mr. Speaker, there have been certain developments in connection with the competition to build a pipe line from Alberta to the Pacific coast region and I want to read just a couple of short paragraphs from the June 20 issue of *Saturday Night* in that connection. Then I should like to put the viewpoint of the group to which I belong with respect to this whole pipe line situation. On page 8 of *Saturday Night* I find an article headed "Pipe Vancouver the gas—but how?" The subheading is, "Powerful financial interests are locked in a hard fight over the route of a gas pipe line to the west coast." The article is by Michael Barkway, a very bright and intelligent young man whom we sometimes see flitting around the press gallery.

Mr. Gibson: Does he agree with you?

Mr. Herridge: I said he was a bright and intelligent young man—

Mr. Gibson: I thought you said he agreed with you.

Mr. Herridge: Hon. members will be able to judge for themselves as I proceed with my remarks. The article goes on to say:

There's gold in them thar pipe lines. There must be. The biggest investment houses in the United States as well as in Canada are falling over each other to get money into them. Alberta's gas boom is making the oil boom seem a staid and peaceable affair.

Cost of any of the projected lines to pipe Alberta's gas to market runs near $100 million outside the province, with at least another $25 million inside the province. Nobody expects a high rate of return on the money; government regulations will see to that. But the financiers figure on a safe and constant dividend. That's why the promoters are so busy—in Edmonton, Calgary, Ottawa—propagandizing, dickering, arguing, lobbying.

Powerful financial interests are joined in a hard fight.

Then it goes on:

The cost of construction and maintenance and the size of the total market will all be reflected in the price of gas to the consumer. This is one of Dixon's main arguments. Both companies have given estimates of the cost of their proposed routes, but this reporter has not been able to satisfy himself that they are computed on a basis which permits fair comparison. They are just as likely to be misleading, and are therefore omitted.

Then in conclusion:

The gas line would supplement and strengthen other projects for road and rail extensions. It would encourage industry by providing cheap power.

The lines are now drawn. Dixon won't admit that he prefers the route through the U.S.; he won't put himself in the position of opposing an "All-Canadian route." But the choice is between the cheapest and quickest road to the biggest markets, and the pioneering route which gives Canada's present and future needs absolute priority and puts the U.S. at the overflow end.

Mr. Mitchell: If the hon. member will permit a question, that article contains some mention of lobbying. Has he been lobbied?

Mr. Herridge: I am not aware of that.

Mr. Mitchell: I have not been lobbied; I thought I would clear that up.

Mr. Herridge: I am simply reading an article; I have no personal knowledge of any lobbying. I support this bill because I want to make certain that Canadian interests are given priority over United States interests.

What conclusions can we come to from this article and from the evidence that has been and will be presented to the Alberta conservation board? In the first place it is obvious, as members of this group indicated in previous debates, that there is a mad scramble for profits to be made out of Canadian natural resources. There is plenty of United States capital seeking investment in this country in gas and oil lines for that purpose. Again, I think it is indicated from the article and from the evidence that there is no check on the claims of cost made by any of these companies. We have had to accept the word of various companies and their engineers, and there has been no check by the officials of this government, who are quite capable of giving this house reliable figures. While Mr. Dixon was very careful not to appear to favour the United States route, I think anyone who read the evidence given before the Alberta board would see that he obviously presented that evidence to influence the board in favour of the United States route. Another point mentioned in this article I think it well worth considering; that is, that the development of the gas pipe line by an all-Canadian route will supplement and strengthen road and rail development in Canada. I believe that is a sound point of view.

I have made these few points, Mr. Speaker, to indicate our attitude toward the United States and Canadian routes, but fundamentally this group believe that public ownership is the only solution to this question. I should think other hon. members would join us in that view, after noting what is happening at the present time, with the mad scramble for profits on the part of United States interests and no regard whatever for Canadian interests. From our point of view this whole gas and oil pipe line business presents an opportunity for the Canadian National Railways to get into a form of transportation that will make sure profits on the capital invested and do something toward rescuing the railway from its present unsatisfactory financial position. Without a doubt this will be the cream of transportation in Canada, and why should we leave it to United States interests? Because we believe that cream should be retained for the Canadian people through public ownership, we support that principle. What would public ownership mean as far as the ownership of gas and oil pipe lines is concerned? First of all it would assure an all-Canadian route in the construction of such a pipe line. It would assure the dividends and profits for the Canadian people. It would assure the development of Canadian natural resources and Canadian industries first before this great power was exported from the country. It would assure employment for thousands now here and thousands yet to come.

Therefore, Mr. Speaker, I say emphatically that this group believes that the only proper solution to this question in the interests of

the Canadian people is the public ownership of this form of transportation. In the meantime we support the amendments contained in this bill because to some extent at least they will protect the interests of this country.

Mr. D. S. Harkness (Calgary East): I am surprised and disappointed that the hon. member who introduced this bill should now ask permission to withdraw it, and I should hope that this permission would not be given. The last thing I would want to do is delay the passage of this bill by making a long speech, so I shall make one of the shortest orations ever delivered in the house and merely say I am strongly in favour of these amendments.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I waited for a long time, with a great deal of interest, for the introduction of this bill. As the hon. member for Kootenay West (Mr. Herridge) said, it was very well drafted, and at the time it was put on the order paper I thought it was tricky and well timed.

Mr. Sinnott: You do not mean that, do you?

Mr. Gillis: Yes, I thought it was directly in line with the discussion going on in the house at that time. Now the hon. member wants to withdraw it. He cannot do that; the bill is now the property of the house, and I am going to take a few minutes on it.

I believe the subject matter of this bill should be supported by every hon. member. The very long discussion that took place on this particular subject has proven conclusively to the members of this house that an all-Canadian route for this pipe line should be adopted. I think the most important reason for adopting that route is the fact that we are building a pipe line largely through the United States to siphon off the resources of this country. The main control as to how those resources will be used rests in the United States. Such a practice is all too common today throughout the whole economy of this country. Practically all of our raw materials are siphoned off to the United States, processed and returned to Canada with a high tariff on the finished product. I think it is time we stopped that sort of thing.

I did not take part in the discussion on the pipe line bills with the exception of the first five that came in through the back door a couple of hours before prorogation. I did my best to hold up those bills at that time because the important bill that was going through was the master bill supported by the Imperial Oil, a subsidiary of the Standard Oil of the United States. The other six pipe line companies to which we have granted a charter are, in my opinion, merely stock promotion schemes. I never became anxious about the last two pipe line bills, because apart from the granting to certain people in this country of a certain amount of stock, they do not amount to very much. There will never be any pipe lines built by them.

I was interested when the member for Springfield put this bill on the order paper, because during the prolonged discussions on the private bills with government support it was brought out time and again that most hon. members had no objection to amending these pipe line bills. If hon. members felt that should be done, then most of the speakers said they could see no reason why it should not be done. I believe the member for Springfield found the solution when he brought in this bill, an act to amend the Pipe Lines Act. I have been looking forward with a great deal of pleasure to this particular discussion. I thought my hon. friend was going to get up tonight, and with all his vigour support this legislation. If we passed this bill, it would have a retroactive effect, and would give us the right to amend the pipe line bills that have been passed.

Mr. Graydon: He fizzled out.

Mr. Gillis: I thought the hon. member was going to follow through with a strong argument for half an hour, but he only lit the fuse and then let it go out. As I say, that oil in Alberta is one of our richest resources, apart altogether from the building of a pipe line. I believe every Canadian member of this House of Commons should support the building of the pipe line in Canada. It is the only logical place. It would put the steel mills to work in rolling the pipe. It would create employment right along the line. The most important feature of it in my opinion is that the control of our natural resources will be in Canada, and we shall have the right to say where the oil is to go. I do not believe we should give an unrestricted right to another country to have control of the valve that supplies a very important material, without having regard to our own requirements first.

From the time the first bills came in through the back door, as I say, I have been of the opinion that these pipe lines should be in the hands of the Canadian government. My opinion was that the logical firm to develop these pipe lines as public carriers was the Canadian National Railways. In the future this will be a very lucrative field. The Canadian National Railways is a government enterprise; is well set up with a capable management; and has experience in crossing

this country from coast to coast with steel. It has the method of financing through the government by passing a special act, which would enable the Canadian National Railways to obtain the necessary funds from the Canadian government to develop the resources of this country. In the future this will mean millions and millions of dollars of income, because if it were not a lucrative field we would not find the Standard Oil and Imperial Oil putting money into it. The others are merely going into it as a stock promotion venture. With the overshadowing clouds of war hanging over us, the importance of oil to any country can hardly be calculated. I think that we at this time, more than at any time in the past, should have been clinging to that very vital resource. It should have been managed by the body I have just mentioned. I think the time is opportune, now that the bill presented by the member for Springfield is before this house, for us to say to the government, by a vote of this house, that this bill should pass, and the Pipe Lines Act should be amended, at least to ensure that when we are building these lines they shall be built by the all-Canadian route.

Mr. Speaker: Has the hon. member leave to withdraw the bill?

Mr. Knowles: On a point of order, Mr. Speaker, standing order 53 is quite clear. It reads as follows:

> A member who has made a motion may withdraw the same by leave of the house, such leave being granted without any negative voice.

That standing order is immediately followed in Beauchesne's second edition by citation 454, which reads:

> The member who has proposed a motion can only withdraw it by leave of the house, granted without any negative voice. This leave is signified, not upon question, as is sometimes erroneously supposed, but by the Speaker taking the pleasure of the house. He asks "Is it your pleasure that the motion be withdrawn?" If no one dissents, he says: "The motion is withdrawn;" but if any dissentient voice be heard, he proceeds to put the question.

There are several of us, Mr. Speaker, who feel that this bill should not be withdrawn, but rather that Your Honour should put the question.

Mr. Speaker: I did not hear any dissentient voice when I asked if the member had leave to withdraw the bill.

Mr. Knowles: No.

Mr. Speaker: I asked that previously, and heard no dissenting voice.

Mr. Graydon: For what reason does he want to withdraw it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I move that this bill be not now read a second time, but be read a second time six months hence.

Mr. Speaker: Before the motion is put, may I point out that it is usual for the house to accede to the request of an hon. member, who has introduced a bill, to have it withdrawn. I think it is only in very unusual circumstances that that courtesy is not extended to the hon. member who has introduced a bill. I do not recall any incident in the last fifteen years when the request of any hon. member to withdraw a bill has been refused. Before the house refuses the request of the hon. member for Springfield (Mr. Sinnott) to withdraw the bill, I think it might consider whether or not the courtesy should be extended to him.

Mr. Harkness: No.

Mr. Graydon: I think, Mr. Speaker, that the house is entitled to a clear answer on this point. Why is the hon. member withdrawing the bill?

Mr. Tremblay: He has explained that already.

Mr. Sinnott: In view of the Prime Minister's statement that it would be an all-Canadian route if at all possible.

Mr. Stanley Knowles (Winnipeg North Centre): If I may avail myself of the right to speak to the amendment moved by the Minister of Trade and Commerce (Mr. Howe), I may say that I fully appreciate the force of what Your Honour has said as to the practice of the house for the past number of years. I noted in particular, however, that Your Honour suggested that the request to withdraw the bill should not be refused unless the circumstances were unusual. There are quite a number of us who feel that the circumstances in relation to this bill are unusual. We accepted—

Mr. Dewar: Politics.

Mr. Knowles: Do I hear the hon. member for Qu'Appelle saying "politics"?

Mr. Dewar: That is right. That is what I said.

Mr. Knowles: Is the hon. member for Qu'Appelle referring to what I am saying or to the action of the hon. member for Springfield in bringing in this bill in the first place?

Mr. Dewar: To you.

Mr. Knowles: We took it as part of a sincere gesture on the part of the hon. member for Springfield to deal with a problem that was agitating and concerning this parliament.

As has been said by others who have spoken, we welcomed this bill when it was brought in. The other night the hon. member for Springfield, without moving second reading of another one of his bills, asked that it be dropped and no one objected. But tonight he moved the second reading of this bill, obtained a seconder, made a speech and put the whole proposition into the possession of the house. There were three speeches ahead of mine in support of the bill. I, too, am in support of it and I believe that there are others.

I think that under the circumstances permission to withdraw should not be granted. It is not just a case of one dissenting voice, as the standing order and citation 454 indicates; it is a case of a number of dissenting voices. However, in the meantime the Minister of Trade and Commerce has moved as an amendment that the bill be not now read a second time but that it be given the six months' hoist. That is clear enough. That would kill the bill so far as this session is concerned, if that amendment carries. But I for one am opposed to that amendment and I think we should have a vote on it.

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I have never taken up much time of the house on pipe lines. I know little about pipe lines, although I am the only member that holds and controls one; I have a map of it in my office. I am sorry I was not in the chamber at eight o'clock. I will be quite honest about it, Mr. Speaker; the reason that I was not here was that I was going to go to Montreal tonight, and had made a reservation.

An hon. Member: Good-bye.

Mr. Cruickshank: I have a new car, and my wife and I are going down to Montreal.

An hon. Member: How are chances?

An hon. Member: Do you want company?

Mr. Cruickshank: I do not know just exactly who is making this speech, but I am in this extremely fortunate position with regard to my seat in this House of Commons. From it I am looking across at the most charming part of the House of Commons. As I said, I have never taken much of the time of this house on pipe lines. Probably the reason I have not taken up as much time as I should have taken up on pipe lines is that the matter concerns my riding and my province so greatly. I cannot quite understand the attitude of some of my colleagues from my own province in the matter, and I do not think that their constituents can quite understand it either. I was just down to see a couple of the ministers about a wire I just received. That was the reason that I had to cancel my trip to Montreal. I had five long distance calls today and two wires.

An hon. Member: That is too many.

Mr. Cruickshank: And I put two through myself.

An hon. Member: Collect?

Mr. Cruickshank: The unfortunate part about those wires is that we are afraid of another flood in the Fraser valley. The last one I received just five minutes ago from my personal representative out there. We had a flood in 1948, Mr. Speaker—

An hon. Member: Why talk about that?

Mr. Cruickshank: You asked me what these are about.

Mr. Cardiff: Would you like this pipe line to take the water out?

Mr. Mutch: To take some of the gas out.

Mr. Cruickshank: I do not know that we need the pipe line to take the water out. I understand that the people in some parts of the prairies, Mr. Speaker, would like some of that water that we unfortunately are afraid we are going to get in the Fraser valley within the next 48 hours. They would like some of that water.

An hon. Member: Carried.

Mr. Cruickshank: I am getting a good deal of advice from some of these people around here, Mr. Speaker, and I should like them to get to their feet and make their own speeches, not mine. The hon. member for Springfield, in all sincerity, introduced a bill which I believe would be in the best interests of the country. In the past I have had something to say about piping gas from Alberta to my own province and to my own riding in particular. Incidentally, Mr. Speaker, I know that some of these other members have in mind the broad view of the development of Canada, in the interests of Canada. So have I. But like the leader of the opposition (Mr. Drew), I have the interests of my own riding at heart first, and I make no bones about it. He may take exception to that remark, but he has not the riding that I have.

I believe that the gas from Alberta should be piped entirely within Canada. One hon. member mentioned the fact that some $50,000 —I think that was the figure; or maybe it was $150,000—would be spent in his riding in building pipe, through the Dominion Bridge Company. I am one of those unfortunate persons who do not know the Dominion Bridge Company. I do not know whether or not they are going to assist me at the

time of the next general election; I hope they are, but I do not know that. If we built the whole line within Canada, I would just point out, through you, to the members of the house, the amount of pipe that would be purchased and built within Canada as compared with the amount that would be required if we built only three or four hundred miles of the line in Canada. As I understand this bill, it is to provide that all pipe lines are to be within Canada.

An hon. Member: Main lines.

Mr. Cruickshank: Yes, main lines.

An hon. Member: The three mile limit.

Mr. Cruickshank: There is no filibuster about this because I entered it late in the discussion. This afternoon I listened to the estimates of the Department of Public Works being discussed in committee. This is Bill No. 132, an act to amend the Pipe Lines Act. I do not know whether it has been read into the record or not.

Mr. Gibson: It should be on the record.

Mr. Cruickshank:

His Majesty, by and with the advice and consent—

Mr. Speaker: Order.

Some hon. Members: Question!

Mr. Cruickshank: I am getting a lot of advice here and I enjoy it, Mr. Speaker. You know, Mr. Speaker, when you are talking about a bill that affects your province you must stop and consider every section. That is the reason why I am trying to put it on the record. I continue:

1. Subsection one of section twelve of the Pipe Lines Act, chapter twenty of the statutes of 1949, is repealed and the following substituted therefor:

12. (1) —

Mr. Speaker: Order. I do not think the hon. member should read the bill. The bill is before hon. members at the present time. I would ask him not to read the bill at this time.

Mr. Cruickshank: No? Mr. Speaker, I think the people of Canada, and particularly of my province, would be interested. The unfortunate part is that so few people of Canada get copies of these bills. Admitted, a certain number get copies of *Hansard*—possibly too many. The reason I want to put the bill on the record is that the people of Canada, and particularly of my province and riding, would appreciate what the hon. member for Springfield (Mr. Sinnott) is endeavouring to do. As I understand it—he can correct me if I am wrong—he is endeavouring to keep our resources within Canada. Even the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out—I do not agree with him very often because he is seldom right in his judgment.

Mr. Knowles: You have to be right once in a while.

Mr. Cruickshank: If I remember the words correctly he stated a few minutes ago that the resources of Canada should be developed in Canada and for Canadians, or words to that effect. If it was not the hon. member for Winnipeg North Centre who said that, it was one of his group. I hate to admit that two of his group can be right on the same day.

In British Columbia, and in particular in the Fraser valley, we have every natural resource.

An hon. Member: Except oil.

Mr. Cruickshank: One of my colleagues says "a good member". I am too modest to say that myself, but I entirely agree with what he says. In order to develop our great province and my great riding we want to bring in gas.

To our east is the sister province of Alberta. When you are going west either by plane or by train the first thing that inspires you as a Canadian and to be a great Canadian is that when you are in the province of Alberta you approach the great mountains of British Columbia. That is one thing that does inspire you. This has all to do with the gas pipe line. When you get out there you see the sign "the great divide" and it is a great divide. You who come from eastern Canada, the provinces of Ontario and Quebec, when you are on your way to the great land of the west, you see that sign leading into the finest—

An hon. Member: Margarine.

Mr. Cruickshank: There is no margarine out there.

Mr. Gibson: Will the hon. member permit a question? This bill deals directly with the problem of keeping the main line of this gas pipe line within Canada. He and I both realize the very difficult terrain that Canada sometimes presents. In this instance will he describe in some detail the route that this line might follow through British Columbia, because I am sure he is able to do that.

Mr. Mutch: How would you get over the divide?

Mr. Cruickshank: I am glad to have had a fellow member from the province of British Columbia ask me that question, but he does not come from the Fraser valley; yet he has the great privilege of living within our province.

One of the reasons we want this gas line to go through an all-Canadian route, Mr. Speaker, is this. I have in my pocket a picture; I am sorry I cannot show it to every hon. member. It is a picture of one tree, a Douglas fir of British Columbia, which contains 41,950 feet of lumber, which will build approximately five houses. That is the reason we want this pipe line to go by an all-Canadian route. I was a little discouraged in my argument in this connection. But then later on—I do not know whether it was through my eloquence or through my good judgment—I was able to win over the hon. member for Comox-Alberni (Mr. Gibson).

Incidentally, the hon. member for Comox-Alberni represents a very fine riding. The best thing about the riding is that my wife comes from there. In answer to his question —I have forgotten what the question was—

Mr. Gibson: The details of the terrain.

Mr. Mutch: How do you get over the divide?

Mr. Cruickshank: How do you get over it?

Mr. Gibson: Yes.

Mr. Cruickshank: You know, Mr. Speaker, I was driving home one year, across the American continent—including the United States, because up to that time we had not, in our poor judgment, seen fit to build a trans-Canada highway. In my travels I went through the city of Denver, where they have a wonderful museum. I know the hon. member for Peel (Mr. Graydon) has been there. I do not mean of course that he was part of the exhibit in the museum, but rather that he has been in Denver. Among other things they have several parts of the first covered wagon that went across the continent in the days of '49.

Mr. Graydon: Did it follow an all-Canadian route?

Mr. Cruickshank: No, unfortunately it went through the United States. But when the hon. member for Comox-Alberni asked me how we were going to cross the mountains, when he knows about the great pioneers with their covered wagons and their oxen, with the hostile Indians of those days, and when he asks me how we are going to cross the great divide to build a pipe line, it is just the sort of question I would expect from him.

We have built two great trans-Canada railways, and we are now building a highway across the country. I believe it is entirely possible, feasible and economically sound that an all-Canadian pipe line should be built so as to retain our resources within our own dominion, and particularly in my own province and riding.

Mr. L. A. Mutch (Winnipeg South): Mr. Speaker, I believe this is the first time during this session at any rate that I have intervened in these and kindred debates. Perhaps I should begin by saying that while I listened to most of the other debates, in many respects this I believe is the most unique to which I have listened for a long time. Part of that uniqueness arises from a situation which, I suggest, does no credit to the House of Commons, and particularly to some members of it. I refer to the denial of the privilege being extended to an hon. member to withdraw a motion he had proposed.

Whether this has been done facetiously, or with a deliberate intent to embarrass the hon. member, or for whatever reason it may have been, it is, sir, a discourtesy which has been unusual in my experience here; and I should not like to let it pass without drawing attention to it.

Further than that, as a member of the House of Commons I resent the suggestion that if a member desires to withdraw a motion, or anything he has said or done in the house, having changed his mind, he has done something discreditable—because that was the implication which was made deliberately, apparently. There are not many who have sat in the House of Commons longer than I have, and I say that if we were to banish from the membership of the house not only those who have changed their minds, but some who have boxed the compass on almost every question that has come up, we would be a badly discredited lot. There were at least two members in the last parliament who, if they never spoiled their ballot, certainly did everything with it that a man could do—and I suppose we have some runners-up for that record.

As a member from Manitoba I resent the suggestion that there is anything discreditable in a member wishing to withdraw his motion. As I heard him giving his reasons for changing his mind, it seemed to me that they were more reasonable and cogent than any of the reasons I have heard thus far for refusing the withdrawal of his motion.

The whole question of pipe lines legislation has been debated in the House of Commons during two sessions of parliament. The house has given its decision on four separate occasions this year, and it seems to me that any attempt to revive a discussion of matters which were settled by the house on those four occasions smacks either of facetiousness or of insincerity.

The hon. member who introduced the bill, realizing that the house had made its decision this session, was prepared to let the matter drop and, in those circumstances, it seems to me a bit unusual—and perhaps not; hon. members may use this occasion to get in a parting shot on the subject—to attempt to make it appear as though there was something unreasonable, improper or insincere in his attitude. There is a great deal more that one could say, but I shall not speak at greater length, when this is my first intervention in the debate.

Mr. Gillis: Would the hon. member permit a question?

Mr. Mutch: Yes.

Mr. Gillis: Can the hon. member tell me why it was the hon. member for Springfield (Mr. Sinnott) introduced his bill, made his speech on it and then asked to withdraw it? If he did not want it to go before the house, he should have let it drop earlier.

Mr. Sinnott: If the hon. member had been here he would have heard.

Mr. Gillis: I did not hear it. The hon. member moved it and made a speech on it, and then he asked to withdraw it.

Mr. Mutch: I am not going to interpret other men's minds. I do not know why he followed the procedure he did follow. I do not know why he introduced the bill in the first place, if it comes down to that. I have not inquired from him, any more than I have inquired from other hon. members who introduce bills for a variety of reasons. I had better not say much about that because I may be tempted some day to bring one in—although in seventeen years I have not yet done so.

Mr. McIvor: Mr. Speaker, on a point of order: nine o'clock.

Mr. Mutch: I move the adjournment of the debate.

Mr. Speaker: Before the debate is adjourned, does the house wish to grant the hon. member leave to withdraw his bill?

Some hon. Members: No.

Mr. Mutch: Then I move the adjournment of the debate.

Mr. Speaker: It being nine o'clock, the house will resume the business which was interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF PUBLIC WORKS

Construction, repairs and improvements of public buildings—

301. British Columbia, $3,150,000.

Mr. Jones: Mr. Chairman, I notice there is a sum of $200,000 for customs and immigration buildings at Osoyoos. Last year there was the sum of $100,000. I made inquiries last year and was informed that the work would be proceeded with immediately. Nothing has happened since, but the port is increasing in importance, and the need for the building is greater than ever. I have no doubt that the increased amount of the estimate indicates that the minister is aware of that fact. Can he tell me when work will be started on the building?

Mr. Fournier (Hull): Where is that?

Mr. Jones: Osoyoos.

Mr. Knowles: It starts with an "O".

Mr. Fournier (Hull): This amount is required for the purchase of an addition to the site and for the erection thereon of highway buildings, a warehouse and bus terminal to provide more adequate facilities for customs service at Osoyoos. We voted that estimate on the 10th of December last. We have looked into the matter, and we believe the total cost for the building and the purchase of the site will amount to $200,000. We have not completed the acquisition of the property. The moment we have the site we will proceed with the plans, and we hope to call for tenders before the end of this fiscal year.

Mr. Green: Can the minister give the committee the present situation with regard to a new customs building for Vancouver and also a new post office building?

Mr. Fournier (Hull): This is an amount of $400,000. The site of the proposed customs building is located at the eastern end of the block bordered by Burrard, Pender and Hastings streets. We have appointed an architect, Mr. C. B. K. Van Norman, to prepare plans. He was appointed nearly a year ago. I understand the plans are well under way, if not near completion. The moment we receive the plans and specifications we will ask for tenders.

Mr. Green: When will construction begin?

Mr. Fournier (Hull): My deputy is more optimistic than I am. He says we will probably start the building before the end of this year.

Mr. Green: What about the post office building?

Mr. Fournier (Hull): In this case we have a site appropriated, and architects were

appointed in February of this year. The architects are McCarter and Nairn. They say that plans are not yet far enough advanced to have an accurate description of the building. However, it will measure approximately 500 feet by 280 feet and will be five storeys high.

Mr. Green: The building will not be commenced for some time yet?

Mr. Fournier (Hull): I am told they do not expect construction to get under way before next spring.

Mr. Black (Cumberland): What remuneration is paid to these architects who design the buildings?

Mr. Fournier (Hull): They are paid according to the tariff in each province. They have their associations and tariffs that the government follows as does any individual employing architects.

Item agreed to.

Construction, repairs and improvements of public buildings—

304. Newfoundland (commitment authority $100,000), $300,000.

Mr. Browne (St. John's West): Will the minister explain what this item is for? I notice that $750,000 was voted last year. I do not know if all of that was spent. There is $300,000 for this year with no particulars.

Mr. Fournier (Hull): This vote of $300,000 is required for improvements, repairs and renewals in connection with dominion public buildings in the province of Newfoundland. It is not known in advance what repairs will be required to the various buildings, but it is essential to maintain them in good condition. The number of buildings and premises in the province of Newfoundland that have to be maintained from this appropriation is thirty-six made up of eighteen government-owned structures and eighteen rented premises. Last year we had an estimate of $750,000 and we spent $211,655.31. This year we expect to spend approximately the amount asked for, $300,000.

Mr. Green: Will the minister explain how these items are made up? The description reads:

Dominion public buildings—improvements and repairs and to authorize commitments against future years in the total amount of $800,000 . . .

I should like to know what the expression "commitments against future years" means.

Mr. Fournier (Hull): Here is the explanation given to me by my officials. The purpose of the commitment authority is merely to avoid increasing the general vote beyond the actual cash required for this fiscal year. Should the vote be fully encumbered before the end of the fiscal year, emergency repairs may be authorized under the commitment authority permitting a contract to be awarded. If when we get to the last months of the year we have spent the whole amount, then this is authority to award contracts that would run over into the next year. We would not pay that money but we would be authorized to commit the government for this amount. We thought this was the better method in order to keep our estimates down to a point where we would not have revotes next year. We wanted to keep our estimates lower, but we will probably make mistakes, and if some emergency occurs we are authorized to commit the government and ask for a vote next year out of this commitment. It is to complete jobs that may be under way after we have expended the amount of $300,000.

Mr. Green: Is this the first year that a provision of this kind has been placed in the estimates?

Mr. Fournier (Hull): We have had it for three or four years. It was during my time this was brought into being on the advice of the treasury board. If we did not have this commitment authority probably the officials would have recommended a vote of $400,000 for this year. In their minds they think they need $300,000, but they would not want to be caught in an emergency without the authority to complete contracts that have been commenced, or even undertake pressing works.

Mr. Green: The idea is that we vote $300,000 under this item, and also vote authority to spend an additional $100,000 if necessary.

Mr. Fournier (Hull): It would not be spent. We would be committed to it by contract but the payment would be made in the next year. It is only authority to commit for the next year.

Item agreed to.

Construction, repairs and improvements of public buildings—

311. British Columbia (commitment authority $50,000), $525,000.

Mr. Green: Can the minister tell us to what particular buildings this item is allocated?

Mr. Fournier (Hull): The number of buildings and premises in the province of British Columbia which have to be maintained from this appropriation is 153. It is made up of seventy-four government-owned structures and seventy-nine rented premises. There is commitment authority in the amount of

$50,000. I cannot tell you exactly what buildings we will redecorate or fix up during the year, but this is the amount that is spent to keep them in a good state of repair.

Mr. Green: To cover all of them.

Mr. Fournier (Hull): All buildings we occupy.

Mr. Fulton: Will the minister explain why the commitment authority varies from province to province?

Mr. Fournier (Hull): It varies according to the number of buildings that we have. I have just explained what the commitment authority is. It is not the expenditure of money. We might have works under way, and if the amount of $525,000 was all encumbered then we could commit the government to further expenditures but we would have to come back to parliament to get them voted.

Item agreed to.

Engineering branch—

313. Branch administration, $352,885.

Mr. Adamson: On this engineering item I want to ask for the details, but first I am going to offer a suggestion. This spring we have had brought very vividly to our attention the hazard of fire; not fire in an individual plant or an individual house, but fire that can devastate a whole community. Obviously many other communities in Canada are just as great fire hazards as were Rimouski and Cabano, and I suggest that some consideration should be given to the drafting of a municipal fire code so that in communities so vulnerable as were these two in Quebec, proper precautions may be taken to prevent similar occurrences. I realize that this may be a little beyond anything now being done by the department. I also appreciate the splendid work being done by the underwriters' association in this connection. But, Mr. Chairman, I am afraid there will be other great fires in Canada unless steps are taken to prevent them.

Here we have the engineering branch of a federal department, and insurance is a federal matter. When we have a holocaust such as we had at Rimouski it becomes a federal responsibility to furnish relief. I am merely suggesting that an ounce of prevention be applied by the department in drawing up a code. Many communities built in the last half century are fire hazards of the worst type, and it was only due to merciful Providence that the loss of life in those two great fires was not very large. I believe the federal authority should at least consider the possibility of drawing up some statutory regulations which over a period of years would eradicate these fire hazards. I know it cannot be done all at once. I know this may be something new, and perhaps outside the jurisdiction of this department; but we know that when we have a great fire the federal authorities have to provide relief, and rightly so. I suggest that this is the time to exercise some measure of prevention, so I leave that suggestion with the minister.

Then I should like to know exactly what this item includes, if the minister will give that to me in as great detail as possible.

Mr. Fournier (Hull): I thank the hon. gentleman for his suggestion. My only embarrassment is that even if we did work on a code as he suggests we would not have authority to implement it in the municipalities. Our authority with respect to the municipalities does not exist; they are provincial creatures. We could suggest it to them, but they would not have to follow our advice, and I am pretty sure they would not if it involved any great expense.

Mr. Adamson: Of course I realize the difficulty with respect to the municipalities, which are provincial creatures.

Mr. Fournier (Hull): No doubt any suggestions would be taken into consideration, and might be adopted in certain parts of the country. I think the suggestion is good, but as the department is organized now I do not know how we could proceed with it. However, we shall give it some thought.

This item covers engineering branch administration, and the details appear at page 230. The branch consists of a chief engineer, an assistant chief engineer, three superintending engineers, and so on; the hon. member can see the list of employees, of whom 52 are permanent and 56 are temporary. Salaries account for $301,885, and the balance is for printing, stationery and office equipment, travelling expenses, testing laboratories for engineering investigations, and sundries. The increase is due mainly to statutory increases, revised rates of pay and reclassifications. There is a net increase of two in the number of employees and an increase under the printing and stationery item, less a decrease of about $2,500 in the amount provided for the testing laboratories.

Mr. Adamson: What work is done in the testing laboratories?

Mr. Fournier (Hull): All materials that go into the construction of the various works we undertake.

Mr. Adamson: Would that be just with regard to the strength of materials, or would it be as to their fire-resistant qualities?

Mr. Fournier (Hull): Both physical and chemical.

Mr. Adamson: What I had in mind, though I did not elaborate upon it, was something perhaps in the nature of a federal grant for fire protection bureaux, supplemented by grants from the provinces.

Mr. Fournier (Hull): That is another field.

Mr. Adamson: That might result in a fire protection code. That might be of interest to the federal government in connection with civil defence, which of course will involve questions of fire protection.

Mr. Fournier (Hull): Actually there is a dominion fire prevention officer, but he does not come under this department. If I am not mistaken he comes under the Department of Finance.

Mr. Adamson: After all, fire protection is primarily an engineering problem. You have your engineering staff, and in the light of what has happened recently we should not just coast along until another disaster strikes us. All I am asking at the moment is that the matter be given consideration.

Mr. McLure: Under this item I am going to seek some information from the minister. I have been endeavouring to get it from another department, without success. All these surveys, I understand, come under the Department of Public Works. In May and June of 1949 a survey was made in Rustico harbour in connection with improvements to the harbour and a bridge to connect with Robinson's island in the national park. I have not been able to get very much information with reference to whether this survey was reported to the Department of Public Works or to the national resources department.

Mr. Fournier (Hull): Perhaps it was Resources and Development?

Mr. McLure: I asked the resources and development department about it the other day, and from what I was told I assumed it came under public works. I believe the Minister of Public Works knows about the survey that was made by those engineers during the months of May and June in 1949. Possibly a report was made about the building of this bridge, and also for the protection of the harbour. I am sure the Prime Minister knows about it, because during the election campaign the people of that community gave him a dinner of the finest lobsters that were ever drawn out of the sea. I hope he would know something about it. Has the minister anything to say with regard to that?

[Mr. Adamson.]

Mr. Fournier (Hull): The only engineer from headquarters that was sent down to the Island last year was Mr. Goodspeed, the assistant chief engineer. He did not go down there to survey the park situation, but to see what could be done with harbour development. If there were other surveys they were not made by engineers from the Department of Public Works.

Item agreed to.

Dredging—

316. Newfoundland, $764,200.

Mr. Higgins: Mr. Chairman, I believe the details of that item appear on page 231. Will the minister give me a breakdown of the amount for plant which is given as about $500,000?

Mr. Fournier (Hull): The breakdown of this is: wages, $19,200; maintenance, operations and rental of plant, $200,000; new plant, $495,000; contract and day labour works, inspection and sundries and contingencies, $50,000. Now the hon. member wanted to know about the new plant. This amount covers the construction of a new dredge to replace the old dredge that the province handed over to the federal government on the date of union. It was found that this old dredge could not help us very much, so the government decided to build a new dredge. The order in council was dated April 4, 1950. I believe this dredge is being built by Vickers, under a contract given out by the Canadian Commercial Corporation.

Mr. Higgins: When is it expected the dredge will be built?

Mr. Fournier (Hull): I am told it will be in operation this fall.

Mr. Higgins: Does that mean that until it is built there will be no dredging done?

Mr. Fournier (Hull): We have rented a dredge or have contracted for one to do the work this summer.

Mr. Higgins: In that case, can the minister tell me what is proposed to be done this year in the way of dredging?

Mr. Fournier (Hull): The moment we are sure of the date that we can get the dredge we will have a schedule for this work; so many days or so many hours at certain places. That has not been finalized yet.

Mr. Higgins: Has anything been planned at all?

Mr. Fournier (Hull): We are receiving reports from our engineers.

Mr. Higgins: I asked whether there was any dredging planned in the district of St. John's East, and if so, where?

Mr. Fournier (Hull): Up to date, the plan covering these projects has not been finalized, and I would not want to give a definite answer.

Mr. Higgins: Will the minister bear in mind this particular district?

Mr. Fournier (Hull): I shall not forget it.

Mr. Browne (St. John's West): I should like to know two things. First, how much was spent under this vote last year?

Mr. Fournier (Hull): The total was $122,618.24.

Mr. Browne (St. John's West): Second, I should like to point out that Renews harbour is badly in need of dredging. It is a wide harbour that fills up with silt rather quickly. It is several years now since a dredge has been there, and we were promised the dredge would go there the first thing this year. Now we learn that the dredge has been condemned, so I hope the minister will put that place near the top of the list because the fishermen are not able to bring their boats into the harbour at low tide. They can only bring them in and out at high tide. These fishermen are an industrious group, and it is quite a large harbour.

Mr. Fournier (Hull): What is the name of that place?

Mr. Browne (St. John's West): Renews. I trust the minister will consider the urgent need there, and the fact that the dredge has been promised. I hope it will be one of the first places to be considered.

Item agreed to.

Dredging—

317. Maritime provinces, $1,694,000.

Mr. Black (Cumberland): I should like to ask the minister at what places in the maritime provinces it is expected dredging will be done this season.

Mr. Fournier (Hull): Dredge No. 4 during this season will be dredging at Bathurst, in the constituency of Gloucester. Dredge No. 5—since this has been prepared I understand that dredge No. 4 is out of order. We are having it repaired right now. Dredge No. 5 will be at Yarmouth, Nova Scotia. Dredge No. 9 will be at Wood Island, P.E.I.; South River, P.E.I.; Montague, P.E.I. The dredge Pownal, No. 2 will be at Victoria, P.E.I. Dredge No. 12 will be at Egmont Bay, P.E.I.; Cape Traverse, P.E.I. Dredge No. 14 will be at Wood Islands, P.E.I., Little Sands, P.E.I.; Launching, P.E.I.; Sturgeon, P.E.I.; Graham's Pond, P.E.I. Dredge No. 15 will be at Blue Rock, N.S.; Stonehurst, N.S.; and North West Cove, Lunenburg, N.S.; Blandford, N.S.; Goat Lake, N.S., Chester, N.S., front harbour; Chester, N.S., back harbour; Young's Landing, N.S.; Saw Pit, N.S.; La Have, N.S.; Mahone Bay, N.S. Dredge No. 16 will be at Shelburne, N.S.; Wedge Point, N.S.; Cape St. Mary's, N.S.; Little Harbour, N.S. Dredge No. 17 will be at Anglo Rustico, P.E.I.; Rustico-Gauthier's Creek, P.E.I.; Bentinck Cove, P.E.I.; Naufrage, P.E.I.; Red Head, P.E.I.; Morell River, P.E.I.; Souris, P.E.I. Dredge No. 18 will be at Little Lorraine, N.S.. Dredge No. 19 will be at Cape Auget, N.S.; Babin's Cove, N.S.; Petite de Grat, N.S.; Rockdale, N.S.; Rabbit Island, N.S. Dredge No. 115 will be at Glace Bay, N.S.; Montague, P.E.I.

Mr. Black (Cumberland): That is quite a list of dredging to be done. I see that the minister has omitted Pugwash harbour, the best natural harbour in the maritime provinces. I have received information privately about that. I was disappointed that the dredging at Pugwash had been delayed so long, but I shall not press for it this year in view of the considerable work that is being done in renewing and extending the wharf. The figures I have indicate that it would take $800,000 to dredge the outer harbour to a depth of 27 feet. There is a passage there now of 22 feet.

Mr. Fournier (Hull): Twenty-four feet.

Mr. Black (Cumberland): The estimate to dredge the channel is $400,000. I should like to ask the minister where he got those figures and who made up those estimates. They are greatly in excess of any estimates we have ever had before. Of course there is no limit in the estimates as to what extent the dredging will amount to. The cost will be up according to the volume of the dredging to be done. But the dredging of the channel, taking out two or three narrow projecting crooks in the harbour, would not amount to nearly this sum. I should like to ask the minister as to estimates that have been given for this work the department proposes for Pugwash harbour, where the calculations were made, and if actual surveys have been made of the harbour.

Mr. Fournier (Hull): We have spent quite a bit of money at Pugwash. I think the last contract given there on the wharf was $400,000. You have actually a channel of 24 feet. That is the report of my engineers. If they are wrong, we shall have to find some other engineers and go into it. But that is the information that I get. During the war that port certainly did a huge business and it had only that 24-foot channel. To dredge it out to 27 feet would cost $800,000 and we have just spent $400,000. That would make $1,200,000. My report comes from my district

engineer who is quite an experienced man. The hon. member for Cumberland knows him. I refer to Mr. Cox. He knows that district quite well and he is hardly convinced that the commercial value to Pugwash would justify this expenditure of another $800,000. My mind is open, but before I take another decision I would have to receive some very convincing arguments.

Mr. Black (Cumberland): I think the steamers they take in there draw a maximum depth of about 22 feet. As I say, I am not at this time going to press for further expenditure on Pugwash channel or Pugwash harbour this season. I should like to hear from the minister as to what is proposed for the important harbour on the western part of the bay of Fundy at Parrsboro. The department made some surveys and calculations a few years ago and improvements were to be made at Parrsboro harbour so that these ordinary lumber shipping steamers could be taken into the harbour. Will the minister make a statement with respect to what is eventually proposed in Parrsboro? Is any work to be done at the present time?

Mr. Fournier (Hull): I am sorry, but I am told that there is no estimate this year for Parrsboro harbour. I am pleased that the hon. gentleman draws this matter to my attention. I will certainly get a report from my officials. Actually I would not be in a position to make a statement, but I will certainly look into the matter.

Mr. Black (Cumberland): I wish to thank the minister. There is another small construction that is required on the Northumberland strait. That is a wharf and protection for the smaller boats, particularly the lobster boats, along the shore line of about 30 miles between Pugwash harbour and Wallace harbour. It is only about a third of that distance directly between those points but following the shore line I understand it is about thirty miles. It is the very centre of the lobster industry of the world, I suppose, and the boats that are used there have no protection. They require some protection on the shore between Pugwash and Wallace. I would ask the minister if he has any estimates for this work at the present time; and if not, if he would give special attention to the needs of the fishermen in this locality. I understand there is no other place in the northern part of Nova Scotia or Cape Breton Island where there is so much need and where there is so little protection as there is at this point. Down in the county of Pictou there is a wharf of this kind and there is protection every few miles. At the point to which I referred it is badly needed and I should like some statement from the minister.

[Mr. Fournier (Hull).]

Mr. Fournier (Hull): I will call the attention of my engineers to the remarks made this evening by the hon. gentleman; and they will prepare for me or get a report from the local engineers. We will give serious consideration to these remarks.

Mr. Black (Cumberland): There is one other item in the details about which I should like to ask; that is a new plant for dredging, $545,000. Last year under this heading there was an appropriation of $560,000. Can the minister give the committee some particulars as to that?

Mr. Fournier (Hull): New plant, to replace dredge No. 5, total estimated cost, $400,000, required 1950-51 $300,000 to complete, replacing nine pontoons for dredge No. 5, such pontoons beyond repair. To replace dredge No. 13, contract was given for $365,000. There is a balance to be paid of $200,000 on that new dredge; one 125 cubic yard dump scow for dredge 15, to replace old one beyond repair; and quarter yard steel dredge for New Brunswick—no, that was taken out. I have a note of it.

Mr. Black (Cumberland): Where is the construction being carried on?

Mr. Fournier (Hull): Saint John dry dock and one at Pictou.

Mr. McLure: I just want to ask one question under item 317. I thought I heard the minister say that dredging would be done at Wood Island. I did not hear what amount of work was to be done. I just wish to impress upon him that during last season, during the busy part of it, the dredging was left until it was quite late and it interfered a good deal, in the busiest part of the season. If it were possible, as to whatever dredging is to be done there, it would be in the interests of good shipping and good transportation of the Northumberland ferries route to have this dredging done early in the season. Last year one of the boats, the *Charles A. Dunning*, was unable to make her regular trips because of the fact that the dredging was not done at an early date. I just mention this matter so that the minister will have it in mind to see to it that the dredging at Wood Island is done as early in the season as possible.

Mr. Fournier (Hull): It is the first one in the program.

Item agreed to.

Dredging—

320. British Columbia and Yukon, $722,800.

Mr. Fulton: I rise not to make any complaint in respect of the dredging in British Columbia because I find, as I think most hon.

members from British Columbia do, that we get the best of co-operation from the officials of the department out there who are, as a matter of fact, handicapped only by lack of equipment. But I am interested in two items here. The first is the salary paid to the permanent officer of the dredging branch in British Columbia. I find that he is described as a senior inspector of dredges whereas those in the other districts are described as district superintendents of dredges. I think he has more men under his control than any other district, except the maritime district, and yet his salary is about $900 less than any of the others? Why is that?

Mr. Fournier (Hull): These salaries are rated by the civil service commission. The only thing we do is to pay the salary that the commission has fixed, with the approval of the treasury board.

Mr. Fulton: It seems to me, from the description we have here of his office, that it is somehow of a lower grading than the others. Would that be a matter under the control of this department? At least I think this department might make recommendations, because from the appearance of the estimates this official is given as much responsibility as the others.

Mr. Fournier (Hull): I understand that we do make recommendations as to classifications or increases, but they are not always approved by the civil service commission or the treasury board. I will look into this case to see exactly what it is.

Mr. Fulton: Can the minister tell us what new plant is being acquired or constructed this year?

Mr. Fournier (Hull): There is a new scow and booster pump for dredge No. 305, $75,000.

Mr. Fulton: Can the minister tell me which one is dredge No. 305?

Mr. Fournier (Hull): The suction dredge.

Mr. Fulton: Where is it stationed?

Mr. Fournier (Hull): New Westminster.

Mr. Adamson: No item on dredging would be complete without some mention of Ripple Rock. I suppose that has ceased to be an item.

Mr. Fournier (Hull): This year I could not bring in an item.

Item agreed to.

Maintenance and operation of roads and bridges—
321. Burlington channel bridge, $93,950.

Mr. Catherwood: The detail of this item would indicate that the increase is made up mainly of supplies, $36,980. I am very glad to see this increase because this particular bridge gives access to an important highway. Can the minister indicate what work is being done and what is the nature of the work?

Mr. Fournier (Hull): The increase of $36,980 is due principally to provision being made for the installation of an auxiliary power supply for emergency use in the event of hydroelectric power failure. Installation of this emergency generating equipment was recommended by the coroner's jury following an inquest into the circumstances of a drowning last year when an automobile went through the open bridge into the water during an interruption in the hydro-supplied power.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—construction, acquisition, repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—
333. Newfoundland, $1,100,000.

Mr. Higgins: I should like to ask the minister a question on this item. I see all the districts represented in these two figures except the district of St. John's East. There may be some forgetfulness about it; I am sure it is not intentional.

Mr. Knowles: How did they vote there?

Mr. Higgins: We have one very important project; I believe the minister is familiar with it. It was requested some time ago. It is in connection with Flatrock, the building of a canal from the open sea into a pond to shelter the boats. I think a formal request was made to the resident engineer in St. John's. I believe it has been transferred here. I am not certain whether that is so or not.

Mr. Fournier (Hull): At what place?

Mr. Higgins: Flatrock. I do not blame the minister for not recognizing the name immediately. It is in St. John's East.

Mr. Fournier (Hull): We will look into it. My officials cannot recall having received the report from the resident engineer in regard to the project. Perhaps it is in the office.

Mr. Higgins: Will the minister take it from me that the request is very urgent. I do not know that it is possible to include it in the main estimates, but a supplementary estimate could be brought down. I am not asking for very much. It is the only part of the district that I am asking—

Mr. Fournier (Hull): What would it cost?

Mr. Higgins: It will not cost very much; less than the item that is in the estimates for Bonavista.

Mr. Fournier (Hull): The hon. member is being facetious.

Mr. Higgins: I think it is a fair request.

Mr. Fournier (Hull): I will certainly look into it and see if there is a report.

Mr. Browne (St. John's West): I wonder whether the minister is familiar with last year's expenditure on this item.

Mr. Fournier (Hull): It was $374,154.03.

Mr. Browne (St. John's West): There is one matter I wish to bring to the attention of the minister. I have already passed over to him several petitions which I have received not from my constituency but from the constituency of my hon. friend who represents Burin-Burgeo. They wish to have a wharf at Arnold's Cove. These people reside on islands in Placentia Bay, and Arnold's Cove has connection with the highroad into St. John's and also with the railway. It would be a great convenience for people going to the hospital, for passengers travelling on the railroad, going to St. John's and going elsewhere for that matter. They want a wharf constructed at Arnold's Cove, Placentia Bay. I have passed over several petitions from the people of Tack's Beach, Bar Haven and Merasheen and other parts of Placentia Bay. Evidently, from the zeal and the rapidity with which they signed the petition, they are very anxious to get the wharf. It would be a great public service if a wharf were built at Arnold's Cove.

Mr. Fournier (Hull): I will call the attention of the engineers to this, and we shall ask for a report from the resident engineer.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

334. Nova Scotia, $3,500,000.

Mr. Black (Cumberland): Before this item carries I should like to point out to the committee that the appropriation for the current year under this heading, "construction, repairs and improvements, harbours and rivers, Nova Scotia", is $3,500,000. Last year it was $5,320,000, or a decrease of $1,820,000 this year as compared with last year. I should like to know from the minister why the current year differs from the previous year to this enormous extent of $1,820,000.

Mr. Fournier (Hull): The reason is that even with that large estimate of the last fiscal year we expended only $2,836,277.91. With the plans that are ready to proceed we do not expect that we can spend more this year than the amount of the estimate. It would be useless to put in any larger amount if our plans are not ready for more work.

Mr. Black (Cumberland): Unfortunately, in the circumstances the expectation of so many people in so many places which was raised by this large figure last year of $5 million will not be realized. I accept the explanation of the minister for the present.

Mr. Fournier (Hull): Every other province has been decreased as well.

Mr. Black (Cumberland): The details of this appropriation show dredging at Dingwall to the extent of $130,000. I should like to know from the minister why it is put under this heading when the special heading we have just passed covered dredging. Why is Dingwall dredging to the extent of $130,000 classified under this heading?

Mr. Fournier (Hull): It is a contract, or rather it is an agreement we have with National Gypsum Company that we undertake to keep a channel open for their boats and for the public. They are paying 25 per cent of the amount because they use this channel, and the public use it. But we entered into an agreement whereby they would pay 25 per cent of this expenditure inasmuch as they are heavy users of it. That is why it forms a special item. A contract has been given to the Porter company. We pay 75 per cent of it.

Mr. Black (Cumberland): That is a reliable concern, and it deserves the support of the department. Is this appropriation of $130,000 to remove material that fills in each year, or is it to enlarge or to expand the channel to that extent?

Mr. Fournier (Hull): It is for maintenance of the channel.

Mr. Black (Cumberland): Purely maintenance?

Mr. Fournier (Hull): Yes.

Mr. Black (Cumberland): To cover filling in from year to year?

Mr. Fournier (Hull): That is right.

Mr. Black (Cumberland): And it will go on continuously. There is another item in which I am interested, and that is the wharf extension at Malagash, amounting to $38,000. What has been done in connection with this appropriation?

Mr. Fournier (Hull): This revote is required for the construction of an ell on the westerly

side of the outer end of the wharf at Malagash. The construction of the proposed ell is required for the three-fold purpose of providing more adequate berthing for large steamers loading, for providing working space for the handling of fishing gear for lobsters, and providing shelter for small craft from southwesterly and southeasterly winds and seas. The newly constructed lobster factory located near the head of this wharf employs twenty-five large motor boats in the lobster fishing industry.

Mr. Black (Cumberland): How is the work being done? Is it under contract?

Mr. Fournier (Hull): The contract has not yet been let.

Mr. Black (Cumberland): Have tenders been called?

Mr. Fournier (Hull): Not yet, I am told.

Mr. Black (Cumberland): Before the item carries I should like to refer to the expenditure at Pugwash, where they are renewing the wharf and extending it. This is a heavy expenditure, and is under contract to a reputable firm. May I express my appreciation on behalf of the people of Pugwash, and the shippers who use the wharf for large shipments of lumber each year. I would express their appreciation, and my own, to the minister and the department for what has been undertaken at that point.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

335. Prince Edward Island, $1,300,000.

Mr. McLure: I notice under this item a number of things granted to my constituency, and I am thankful for them. However, there is one item in the county of Prince, known as the West Point ferry, to which I should like to draw attention. I received a letter yesterday in connection with it. As the minister knows, the West Point-Buctouche ferry system was quite an issue about a year and a half ago. I know if the hon. member for Prince were here this evening he would be interested in it.

During the election campaign of 1949 this ferry was an issue, and both parties were committed to it. If there are any people who have not had any proper service it is the people of West Point, which is in one of the finest farming sections of the whole province. If the ferry across to Buctouche were in operation it would be one of the finest things for the farming community of western Prince Edward Island that it would be possible for them to have.

So much interest has been taken in it that an offer was made to the government, or to the parties who were going to run the private ferry, whereby they could have the use of a wharf on the Buctouche side. Only a small rental was to be paid for it. However, I see nothing in the estimates for this expenditure, and there has been no mention of it in the house. In response to a question I have had I am bringing the matter to the minister's attention so that it shall not die a natural death— or until another campaign comes along. If there is one place in Prince Edward Island that requires better transportation facilities, it is the West Point ferry district.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

339. Manitoba, $398,000.

Mr. Bryce: Mr. Chairman, I notice an item here for $94,000 for diking and cut-off in the Assiniboine river. Hon. members in districts adjacent to mine have discussed this matter with me thoroughly. Two ministers of the government have agreed that the people I represent would be better served if this $94,000 were taken from the public works estimates and added to the expenditures under P.F.R.A. My only reason for asking for this is that the people would be better served if it were done in that way.

Land will have to be expropriated in connection with these cut-offs, and it would be necessary that the crown hold title to the land. It will be possible to rent it for certain purposes, and derive some benefits therefrom. All the money spent may not be got back, but there certainly would be some returns. I believe both ministers are willing to agree to the suggestion made, and I would ask the Minister of Public Works to express his views in the matter. The Minister of Agriculture does not happen to be in the house this evening, but after talking with him I have learned that he is quite agreeable to taking it over. He maintains he has the necessary facilities, and the men who are engaged in that kind of work.

This is something that must be done, or we will lose one of our highways in Manitoba. The water is getting so close that these cut-offs will have to be made. The question is whether the vote should be turned over to P.F.R.A.

Mr. Fournier (Hull): The hon. member for Selkirk and the hon. member for Portage la Prairie discussed this matter with me some time ago. They were so convincing that I said if an official request were sent to the Department of Public Works I would submit that suggestion to my colleagues. I have not had time to do so, and I do not know if I can have a transfer of funds from my department

to P.F.R.A. However, the matter will certainly be considered by the cabinet at the first opportunity.

Mr. Bryce: If it goes to P.F.R.A. I hope the minister will see that that extra $90,000 goes on every year for that purpose.

Mr. Fournier (Hull): I would not commit the government on that right now.

Mr. Cardiff: If I might revert to the last item—

Mr. Fournier (Hull): Certainly.

Mr. Cardiff: I see there has been $230,000 spent on the harbour at Goderich. While we are very thankful for the money that has been spent, there is another project that the people of Goderich are interested in. They have a very short beach and they have no other way to get down to the other side of the harbour except across the C.N.R. tracks. Of course they have to have permission to do that. Will the government engineers look that over some time and give favourable consideration to putting a road across the C.N.R. tracks down to the beach on the other side of the harbour? As you know, Goderich is a very pretty town. I think perhaps it is by far the prettiest town in western Ontario. It attracts many tourists from the United States, and the money would be well spent on such a project because the government would get it back in tourist traffic. Every dollar you spent there would be repaid. We would like to have some consideration given to that.

Mr. Fournier (Hull): The suggestion is to put a bridge over the tracks at the head of the harbour?

Mr. Cardiff: I do not know how they would go over the tracks.

Mr. Fournier (Hull): At all events, I will ask the resident engineer to look into the matter.

Mr. Cardiff: They cannot get there without going over the tracks, and there is no road down to the beach on that side of the harbour. The only way they can get down there is to cross the tracks or build a bridge.

Mr. Fournier (Hull): I will ask the resident engineer to make a survey and report.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

341. British Columbia and Yukon, $4,200,000.

Mr. Green: Does this vote include any money for a fishermen's wharf in False creek at Vancouver? I believe representations have been made to the department by various bodies, and I should like to know whether this vote includes any money for that particular project.

Mr. Fournier (Hull): When the hon. member for Vancouver-Quadra spoke to me about this False creek float—

Mr. Green: Fishermen's wharf.

Mr. Fournier (Hull): —we were expecting a copy of the report of Mr. Cousins of the national harbours board to the city of Vancouver. We received that report in an interim form within the last few days. My officials are of the opinion that we should build this wharf or float out of this general vote. I think the estimate for this year will be around $100,000.

Mr. Green: Then it is to be built out of this vote?

Mr. Fournier (Hull): Right.

Mr. Green: About when will construction begin?

Mr. Fournier (Hull): I understand our plans will have to be tied in with those of the city. They are working in co-operation, and we will probably be guided by their timetable. We will go ahead with the work.

Mr. Green: There is one other project, the completion of the seawall around Stanley park. That work was commenced a good many years ago and has never been completed. It is of great importance to Stanley park in which I think the dominion government has an interest, by the way. It is some sort of an admiralty reserve. The seawall is most essential for the proper protection of the park. I believe the minister has had favourable recommendations from his engineer at the coast. Can he tell us whether any money is included in this vote for that work?

Mr. Fournier (Hull): Not in this vote, but after I received the petitions and representations of nearly every member from British Columbia concerning the condition of this wall I certainly had a thorough study made of the situation. Personally I would recommend an expenditure this year to cover a part of it, not the whole of it, but I do not know what treasury board will decide.

Mr. Green: The minister hopes it will be possible to go on with this work this fall?

Mr. Fournier (Hull): Personally I would recommend an expenditure to continue this work but I would not commit myself. I am like others who are in the hands of treasury board. They will decide.

Mr. Black (Cumberland): The minister is a member of the treasury board.

Mr. Fournier (Hull): Yes, but I am only one member.

Mr. Green: You had better get that vote through.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

342. Newfoundland (commitment authority $100,000), $400,000.

Mr. Higgins: Will the minister make a statement as to what this item comprises? It is fairly large. Is it a lot of small amounts?

Mr. Fournier (Hull): This general appropriation is required—and this applies to every province except for variations in the amounts—for the maintenance and repair of existing harbour and river facilities in the province of Newfoundland under the jurisdiction of this department to maintain essential traffic in navigable waters. Newfoundland entered confederation on the 1st April, 1949, and until a district office was set up a bulk appropriation of $1 million was granted to this province for the fiscal year 1949-50 reading as follows: "Harbours and rivers generally, construction, repairs and improvements". To conform with appropriations for the other provinces during the fiscal year 1950-51 it now reads the same as all other provinces, "harbours and rivers generally". As to the commitment authority, I have mentioned the purpose of that before. Out of this vote we spent $374,154.

Mr. Higgins: Last year.

Mr. Fournier (Hull): Last year. This year we have an amount of $400,000 with commitment authority for another $100,000.

Mr. Macdonnell (Greenwood): Mr. Chairman, I want to understand this business of commitments better. There are a whole lot more commitments, and I have a desire to know more about them. I have a feeling that they provide nice featherbeds for people to lie on, but I am willing to be convinced that I am wrong.

Mr. Fournier (Hull): I explained this while the hon. member was out.

Mr. Macdonnell (Greenwood): No, I was here. I listened to you before but I could not understand it.

Mr. Fournier (Hull): My goodness, I thought my explanation was crystal clear. At all events, when this was decided upon some years ago the reasoning was along this line. Instead of having $400,000, as in this instance, for maintenance and repairs of these public works, let us say we had $500,000. We found that we did not expend the $500,000. Treasury board said: "Why can you not give us a figure closer to the expenditure you expect to make?" They suggested that if in the last months of the fiscal year we had pressing and urgent repairs or works to be done we could sign a contract or give out the work, and it would become payable in the next year on commitment authority. This commitment authority is to be voted in the following year if we expend more than $400,000. I wonder if that is clear.

Mr. Macdonnell (Greenwood): Let us go back for a moment. I noticed a little while ago that there was an expenditure of $122,000 on an item of $575,000. I wonder if this cushion does not mean that nobody has to work very hard to find out what is going to be needed, that you can take it by and large and always have something as a cushion to fall back on. That is what bothers me. How can there be an expenditure of only $122,000 on an estimate of $575,000 as in item 316? Can there be any real economy when you have such a tremendous amount of leeway?

Mr. Fournier (Hull): You are speaking of Newfoundland, which came into confederation on April 1. We did not have any staff there; we just put in a figure and worked on that. After April 1 we sent our engineer down there. Your neighbour from Newfoundland understands the situation. We sent an engineer from headquarters to receive requests and make surveys of the repair and maintenance work that had to be done. When we put in this estimate we did not know what it would mean. This year we have that information, and the estimate has been reduced in accordance with the expenditure made last year and what was expected to be required this year. We are not playing with this. We have officials working on it the year round, to try to get our estimates as close as possible.

For many years my problem has been that hon. members come and ask "Why this revote? Why does this go on for three or four years?" That could be explained in two ways; either we were slow in getting the work done and could not spend the money voted, or we asked treasury board and this house for too much. We are trying to keep the proper balance, and we think it is best to keep an estimate down to what we think we will spend. If there should be an emergency, however, we ask for authority not to spend money but to commit the government and then come back to parliament and put through the vote. This is the result of years of study by people who have had a great deal of experience. Perhaps they may be wrong and just the two of us may be right; I do not know.

Mr. Macdonnell (Greenwood): The minister is so persuasive it is very difficult to ask any further questions. However, I would like one or two instances, if he has them handy, to show exactly what has happened in past years when he has had these further commitments.

Mr. Fournier (Hull): This is how they explain it. Suppose I have $400,000. Hon. members know how we proceed; we must have authority from the comptroller of the treasury to encumber these estimates as we give out contracts. When the amount of $400,000 has been completely encumbered the comptroller of the treasury will not grant us another nickel even to undertake pressing or urgent works. Under the Consolidated Revenue and Audit Act he is not empowered to do so. He will place a limit on the department, and we will not be able to have pressing work done which may be required by a storm or any other unforeseen event. This commitment power, however, gives us the authority to go ahead and give out a contract without paying for it during this fiscal year, voting the estimate next year. The officials of finance, treasury board and comptroller of the treasury developed this method so the government would not be left without authority if something unforeseen should happen.

Mr. Green: When a building is to be constructed that is to cost a million dollars, all of which is not to be spent in the current fiscal year, an item of say $500,000 is put in the estimates, but the contract is let for the full $1 million. What is the difference between a vote like that and these votes? Is it that these would cover entirely new contracts?

Mr. Fournier (Hull): Yes. In the case the hon. member mentions we have a special vote for the job, the building or wharf or whatever it is. It is known; the house approves the principle, and we go ahead. Once we decide to build the float we were discussing a moment ago I bring in a vote to cover it and the house gives me authority to proceed. These maintenance and repair items, however, arise as time goes on. Our offices report that this building needs paint, or that building must be repartitioned, or something must be done somewhere else to keep the building in good condition. Under these votes we are not authorizing the department to go out and let contracts; we are giving the department authority to keep these buildings in a good state of repair. That is the difference. If we were to say this $400,000 should go for a building in St. John's we would go ahead and buy the site, prepare the plans, ask for tenders, and give the contract, because parliament would have authorized the construction of that building. The amount we would put in the estimates would be the amount we expected to spend during the current fiscal year. This is not the same thing at all; it is a general authority for the maintenance of these buildings.

Mr. Green: Is this system used in any other department?

Mr. Fournier (Hull): I believe it is, and if it is not I would recommend it.

Mr. Green: What other departments vote commitments as distinguished from appropriations?

Mr. Fournier (Hull): National defence has followed our example. As I understand it, this was suggested to cover the cases I have mentioned. I see the Department of Justice has item 148, under which there is a commitment, and I think transport and other departments also follow that practice. I believe the system was first recommended to public works in order to meet this situation.

Mr. Green: We are getting a new system here, which is gradually expanding?

Mr. Fournier (Hull): No; it has been in effect for three years now.

Mr. Green: But it is spreading to other departments. What is the statutory authority for these commitment votes, as distinct from the appropriation of money?

Mr. Fournier (Hull): If I were the Minister of Finance I would have more data on the whole system. As hon. members know, finance has a good deal of authority over the preparation of estimates and the expenditure of money, and they are the advisers of the other departments. If they find that our estimates are not closely related to the actual expenditures they try to find a way to overcome that difficulty. I have given the example of urgent work. Our money is encumbered; the whole amount will be used for different projects. If something unforeseen happened, even the comptroller of the treasury could not give me authority to put in a pane of glass.

Mr. Smith (Calgary West): You are arguing that you need a cushion for everything.

Mr. Fournier (Hull): I do not know whether that would be the right expression. I am not a financial wizard, and we closely follow what finance and the comptroller of the treasury tell us to do. I cannot see the real argument with respect to this cushion.

Mr. Smith (Calgary West): Surely your whole argument is that you have an idea of what you will spend. Then you ask for $10 or $100,000, it does not matter, in addition for unforeseen expenses, emergencies if you want to use that word.

Mr. Fournier (Hull): If I did not have this probably my officials would tell me we needed $500,000.

Mr. Smith (Calgary West): All right; let them say so. At the end of the year you would tell them they were crazy, if you did not need it. Is that not common sense?

Mr. Fournier (Hull): I would not, but perhaps treasury board or the comptroller of the treasury would; that is probably what would take place when they saw we did not spend the money. This is not a case of padding the estimates; it is a matter of making provision for emergencies.

Mr. Drew: In simple terms, does it not mean this? Under each one of these items starting with 342 and running down to 350, there is an estimate of an amount upon which parliament passes, in this particular case making a total of $2,795,000, and then under each one of those items there is in addition an amount which is termed a commitment authority. Taking item 342, merely as an example, it is represented that in each case, with each amount, you have a commitment authority of $100,000. The total of those commitment authorities is $610,000. As I understand it, what this does is to vote $2,795,000 as an amount which has been estimated and is passed by parliament. Parliament also authorizes a further $610,000 for these items 342 to 350, in the event that they go over to that extent.

Mr. Fournier (Hull): Well, yes, you have it in a way. This commitment will never be spent during this fiscal year. It will have to be voted next year. We will not make any payments of these amounts during the year. What we will do is this. At the end of the year, if we have encumbered the whole of the $2,795,000 and we still have to maintain our works, we will make out the contracts probably because the execution of it we know will go over into the next fiscal year, and we will come back and ask a vote for it.

Mr. Smith (Calgary West): How do you guess at your commitments? It is nothing but a guess.

Mr. Fournier (Hull): Absolutely. I cannot give an exact figure for what will take place on all of those works during the year. I have not before me in advance the reports from those district architects or engineers; they are coming in every day. We have an idea, because we own so many buildings and so many works in each province. We know we will have to maintain them during the year, but nobody can give a definite figure.

Mr. Macdonnell (Greenwood): Can the minister tell us what the total commitment amount was last year, and to what extent it was used? In other words, the amount of commitments that were made out of the total authorized during the year would give us an idea of the size and significance of this.

Mr. Fournier (Hull): I am told that to get that we would have to have the report prepared by the comptroller of the treasury, because his office encumbers the amounts on the votes which parliament passes. I have at my disposal $400,000 in this case. As time goes on I spend that money and have to go to the comptroller of the treasury with the details of the amounts, if it is contract or day labour or whatever it is. When he authorizes the expenditure of that money it is encumbered on the amount of $400,000. Every month we receive a report of the free balance. When we reach the end of the year if this free balance is fully encumbered, and we still receive from the different parts of the country, from our regional offices, requests for the expenditure of money, that is when we ask the comptroller of the treasury to let us do the work under this commitment. We cannot proceed otherwise.

Mr. Macdonnell (Greenwood): I am going to make a suggestion in order to save time this evening. You might have a caucus with the Minister of Finance, and then we can get this figure, for which I have asked and which I think might be interesting, on the finance estimates. Will the minister do that?

Mr. Fournier (Hull): My official tells me that if we ask the comptroller of the treasury for a report of these encumbrances, he will prepare a report and send it to the department. I shall give it to the house.

Mr. Macdonnell (Greenwood): Would the minister be agreeable to having it left over until then?

Mr. Fournier (Hull): My estimates?

Mr. Macdonnell (Greenwood): To have this matter dealt with on the finance estimates.

Mr. Fournier (Hull): Oh, certainly.

Mr. Drew: Mr. Chairman, I do want to clear up one point because I think it is extremely important. The Minister of Public Works has said that this practice is similar to that which has been adopted by the Department of National Defence. Is that right?

Mr. Fournier (Hull): No.

Mr. Drew: I understood him to say so.

Mr. Fournier (Hull): No. If my recollection is correct, three years ago there was a discussion with the treasury board about the preparation of these estimates. Finding that the estimates and expenditures did not

compare favourably, they said that we should bring down our estimates so that they would be about equal to the expenditures. The resistance came from my officials, engineers and architects, and treasury board suggested this way of dealing with these items so they were prepared according to that system.

Mr. Smith (Calgary West): It is still a cushion and nothing else, is it not?

Mr. Fournier (Hull): It may be a cushion.

Mr. Browne (St. John's West): I have the estimates for 1949-50, and there are no commitment authorities given under the Department of Public Works, so that method could not have been in vogue last year. It looks like something that has been introduced this year. Here are the estimates, and there is no indication of its being contained in them.

Perhaps I did not understand the minister correctly, but he said there was a million dollars estimated for this item last year under votes No. 333 and 342 combined. There was nothing spent from this particular vote, though; the whole $374,000 was spent out of the two votes. Is that correct?

Mr. Fournier (Hull): We did not have it under your vote last year. It was a bulk vote. As I said to the committee a moment ago, we did not know exactly what to expect in Newfoundland.

Mr. Browne (St. John's West): But the money was spent out of the two votes, No. 333 and 342.

Mr. Drew: Mr. Chairman, there is a point here that has not been made clear. I think we all should know exactly what it is we are doing. There is no necessity whatever for an additional amount being included in this way unless there is some possibility of an additional expenditure this year. If there is no intention of having additional expenditure this year, the practice has been long established to settle the amount that will be spent this year, and then next year include the further amount that will be required for the continuation of the same contract. This practice continues, whether it takes one, two or three years.

Now, let me give a simple example. I can think of one case where a hospital has been under construction for three years.

Mr. Fournier (Hull): May I interrupt? If the hon. member reads the heading on this vote he will see that it is for maintenance service, no new work to be undertaken. It is just to keep our existing works in a good state of repair. It is not for new work. What we have we try to keep in good condition.

Mr. Drew: Perhaps I was using an unsatisfactory illustration because of the nature of the item, but what I was trying to illustrate was this. No matter what the heading is, if there is an additional commitment amount placed at the side in this way, I feel sure that the passing of these estimates in this form has the effect of approving the expenditure of the amount contained in the main column, that is $2,795,000, and also a commitment for a further amount.

The reason I did conceive what I understood was a reference by the minister to the similarity between this procedure and one that had grown up in the Department of National Defence is that there is a similar procedure there, though it is worded in a different way. The indication is contained in item 202, which is the large all-embracing item of the Department of National Defence, and it says this:

> To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 . . .

Is this the same kind of commitment that is contemplated in item 202 in the Department of National Defence?

Mr. Fournier (Hull): My official tells me that this amount of $100,000 in vote 342, commitment authority, and the amount of $141,123,670 would compare. The balance would not be the same thing.

Mr. Drew: No. Quite apart from the purpose and quite apart from the size, what I am trying to understand is whether these are commitments of a similar nature in their effect as we deal with them in this vote.

Mr. Fournier (Hull): I would not know that. I know what the commitment in my department is. It is used for emergency or when we lack the funds in the last part of the fiscal year. It is never committed unless the need arises, and the need is this. As to these buildings or wharves, you may have an instance where a storm will destroy one of our works which is needed for the local people. If I have encumbered the amount of $400,000, that work will stay there, in Newfoundland, until the next spring or summer. I do not think that these gentlemen would think that this was proper administration, not to take means to repair this damage to these wharves for the poor people they represent in certain parts of the country. We are trying to act like a paterfamilias, and to be as kind as possible to everybody representing these people. That is perhaps only talk; but the idea is not to be caught by something unforeseen that nobody can tell me in advance that I will be called on to

spend money for. What I am told right here now is this. Suppose we did not have this commitment. The officials would have been before treasury board and they would have asked for $500,000. We know we would not have spent it because the $100,000 commitment will be paid only in the next fiscal year.

Mr. Browne (St. John's West): I just want to apologize to the minister. I do find that, as the hon. member for Vancouver-Quadra points out, there is a commitment last year, but it is concealed. It is not easy to see. It says:

For maintenance of services, no new works to be undertaken, and to authorize commitments against future years in the amount of $65,000.

That is in one item and the same thing applies in another. But it is not as clear as it is this year.

Mr. Macdonnell (Greenwood): I understand that the minister will be good enough to indicate to his colleague that when we come to the finance estimates we want the full amount of the commitments authorized last year and the extent to which they were availed of. It is on that understanding that I am saying no more under this item.

Mr. Fournier (Hull): The attention of Finance will be called to the remarks made by the hon. gentleman.

Mr. Drew: That may or may not produce results; but I do not think that this item should be passed over without at least our understanding quite clearly what the effect of it is. The minister has just said that if this device were not employed, then instead of an item showing $400,000 in the main column, with a commitment authority in brackets at the side of $100,000 and with similar entries for other items under this general heading, the total figures would be the ones we would have in the main column. If that is so, then all this means is that this is a device to show a lower figure than would be in the estimates in the ordinary course of events.

Mr. Fournier (Hull): No; we would not commit ourselves. If we did not have the $500,000, we would not commit ourselves; and the comptroller of the treasury would not give us authority to commit ourselves to this expenditure if we did not have the $500,000. But we know that the contract will be completed after the end of the fiscal year and the money will not be actually spent during this fiscal year. Therefore why should we have a vote of $500,000 when we know the expenditure this year will be $400,000? But we will be committed by contract for works not completed, to be paid for. But if I have not got the $500,000, I would not be able to give out this work. The comptroller of the treasury would say, "You have no more money at your disposal", and we would have to stop. But with this commitment, it will go on right until the end of the fiscal year, although it will not be paid; and I will be authorized to let this work. I do not know if I have made myself clear enough, but it took me a little while to know what I was talking about.

Mr. Drew: To find the explanation.

Mr. Knowles: It seems to me that this device—and it has been called that—is one that we on this side of the house should welcome.

Mr. Fournier (Hull): It is closer to the facts.

Mr. Knowles: It looks to me as though it is something that has been forced upon the department by the treasury board.

Mr. Fournier (Hull): It was suggested, anyway, by the treasury board.

Mr. Knowles: All right; it was suggested to the department by the treasury board; and the treasury board's power of suggestion is usually fairly effective. If this device were not being used, I take it that the minister and his department would play safe and would ask for all the money they think they might need. Treasury board comes along and says—and you can get this by looking at the estimates of previous years; there have been so many revotes—"Do you really need all that $500,000 in cash this year?" They persuade the officials of his department that they might get along with $400,000. The officials of the department say: "Well, we will try, provided that you give us the right to make contracts that we cannot pay until the next year in case we get in a jam." It seems to me that instead of being a cushion, it is actually putting a brake on the department. We are actually voting them in cash this year an amount of only $400,000 instead of the $500,000 that the department would have asked for.

As the hon. member for St. John's West has done, I have checked into the estimates of last year and I note two differences with regard to the items in connection with "construction, repairs and improvements—harbours and rivers." On the one hand there were a great many more details; that is, for each individual province there is a breakdown by projects. The other difference is that all those items are full of revotes. There are no revotes in this section at all.

Mr. Smith (Calgary West): Why have estimates if they do not mean anything?

Mr. Green: The minister has said that anything that is used from these commitments must be voted next year. It seems to me that that practice offends against the cardinal principle of our whole parliamentary system, which is that parliament controls the money that is spent and that until parliament votes the money, it cannot be spent.

Mr. Fournier (Hull): You are right. It will not be spent before you authorize it.

Mr. Green: No; but here parliament is voting the money afterwards instead of before. I think that is the principle that is being departed from, and it does not seem right to me. Surely some other method can be worked out which would meet the difficulty.

Mr. Macdonnell (Greenwood): I should like to say a word on this matter. I do not entirely agree with my colleague. As the hon. member for Winnipeg North Centre has said, it seems to me that there may be an element of good in this. I am not suggesting, for example, that it would be better to put $500,000 into the estimates.

Mr. Knowles: That would be a cushion.

Mr. Macdonnell (Greenwood): Yes, that would be a cushion. On the other hand, I think there is a danger there. My point is that the device seems to me to have an element of usefulness in it. But the question is whether it is being used in the right way by having a large sum against each of these estimates, with total commitments of $600,000. That is why I should like to see the total figure showing what the commitments have been, let us say, in two or three years, and what has been spent, to see whether perhaps there may not be a more effective way of using the device which has a certain element of good in it.

Mr. Higgins: I do not like delaying the matter. The item has caused enough comment. Can the minister possibly bring down a figure to show where the money has been spent?

Item agreed to.

Construction, repairs and improvements—harbours and rivers—

343. Nova Scotia (commitment authority $100,000), $600,000.

Mr. Black (Cumberland): How much of the $775,000 that was appropriated last year was actually expended? Did the work which was done, not the expenditures which were made, increase it above the $775,000?

Mr. Fournier (Hull): The amount expended last year was $515,004.13.

[Mr. Smith (Calgary West).]

Mr. Black (Cumberland): There was no portion of this commitment authority of $100,000 this year utilized in Nova Scotia last year.

Mr. Fournier (Hull): No.

Mr. Black (Cumberland): Is that correct?

Mr. Fournier (Hull): That is correct.

Mr. Black (Cumberland): I have another request I wish to make of the minister. He has told us that there are no commitments made with respect to this vote this year. I presume they will be made on the recommendation of the engineer and the staff in the province. In Nova Scotia, for instance, we have very capable and experienced men and I have a great deal of confidence in them. I have a duty to my constituents, and I have some rights in the province. I am going to ask the minister whether I may be advised whenever a commitment is made under this expenditure in my constituency, which represents about one-tenth of the province. Whenever a commitment is made by his department I ask that I as the member be advised.

Mr. Fournier (Hull): The hon. member does not expect me to give an assurance to 262 members that any act of administration under this vote be communicated to them. I could not do that unless you told me to increase my staff by a few hundred more people.

Mr. Black (Cumberland): I am not asking it for all members; I am asking it for myself. I am going to exercise my full right—

Mr. Fournier (Hull): That would be a bad example for the others.

Mr. Black (Cumberland): I am not speaking for them; I am speaking for myself.

Mr. Fournier (Hull): I do not know. I am ready to meet any fair and reasonable request, but I could not tie my hands in that way. These encumbrances may be made while I am away. I do not have before me every—

Mr. Black (Cumberland): The minister can leave instructions.

Mr. Fournier (Hull): —expenditure for $10 or $15 that is made. I would not sleep well at nights if I were committed to do a thing like that, knowing that I could not do it.

Mr. Black (Cumberland): I do not think that I as a member of House of Commons could sleep well either if I felt that this money was being expended wrongly. I think I have a right to know when a commitment is made.

Mr. Fournier (Hull): Anything you will ask the department we will give to you here

or by letter. I cannot give the assurance that every time an expenditure is made in the Department of Public Works during the year I will look at the file and say: "I am not going to forget my good friend from Cumberland." Really I would not be able to bear that load all the time. My officials can do it. We have a staff that is efficient, but do not try to get this information from me personally. I could not give you that assurance.

Mr. Drew: There seems to be the question of which kind of demand is the more comfortable.

Item agreed to.

Generally—

351. Fraser river—Fifty per cent of cost of investigations to be carried out by the dominion-provincial board Fraser river basin (revote $45,000), $72,500.

Mr. Green: The hon. member for Kamloops is very much interested in this item. He has been called out of the chamber. Can the minister give us any statement with regard to the vote? It covers the work of the dominion-provincial board of the Fraser river basin.

Mr. Fournier (Hull): This amount of $72,500 is required to pay the dominion government's share of the cost of investigation proposed to be carried out during 1950-51 by the dominion-provincial board, Fraser river basin. The board was established by authority of order in council P. C. 247/288 dated January 22, 1949, for the purpose of conducting an investigation to determine the improvements which might be undertaken to develop the water resources of the Fraser valley, British Columbia, in the interest of fish, wildlife, water power, flood control, irrigation, reclamation of wet lands and other beneficial purposes.

The board consists of officials of the provincial government of British Columbia and the dominion government. The dominion and the province will share the cost of the said survey and report equally. The amount asked for in 1950-51 is $72,500. This amount is to cover the dominion government's share, 50 per cent of the cost of the following work proposed to be carried out in 1950-51: basin surveys, $46,000; dominion water and power bureau gauging stations, $50,000; dominion public works, bathymetric survey, $36,500; office expenses, $10,000; miscellaneous surveys, $12,500; total $155,000. The share of the government is $72,500. They are working on a report and making these surveys covering the fields that I have just mentioned. Their work has not reached the stage where implementation would be in order. I do not remember whether a copy of the preliminary report was sent to the hon. member for Vancouver-Quadra.

Mr. Green: Yes, I think it was.

Mr. Fournier (Hull): This seems to be the starting of a development.

Mr. Green: It is a very worth-while work.

Item agreed to.

General—

353. National Gallery of Canada, $260,770.

Mr. Fair: I should like to say just a few words on this item. Last January one of my constituents, Allen Ronaghan, wrote me a letter which reads as follows:

I am enclosing a picture which I have cut from the Edmonton *Journal*. I feel that it speaks loudly enough itself without too many comments from me!

I wish that I could say I was as proud of the national gallery building as I am of the services that it renders to all Canada.

Whenever you get a chance in the house tell them that there are some "out west" who would like to see more money spent on the national gallery. Perhaps it'll humour them into taking some action!

I am,

Yours truly,

Allen Ronaghan

He sent along the picture which he had taken from the Edmonton *Journal*, and which I am going to send over to the minister in a moment. It is headed: "National gallery forced into corridor". Below the picture we have these words:

Officials of the national gallery of Canada say their work is hampered seriously by an acute shortage of space in the gallery building—one wing of the national museum at Ottawa, H. O. McCurry left, gallery director, and Dr. R. H. Hubbard, curator of Canadian art, kneel in a crowded corridor to examine a still-life by Canadian artist Goodridge Roberts.

He added a footnote as follows:

This picture published in other countries would be marvellous advertising for us, wouldn't it?

I do not feel that hon members, or the minister in particular, want to have pictures of this kind circulated. With Mr. Ronaghan I would like to add my word that something be done. I am of course aware that we have had a commission sitting dealing with art, literature and so forth, and they may possibly have a recommendation to make in connection with this national gallery building. I am sending this picture over to the minister for his examination.

Mr. Knowles: I should like to say a word in connection with this vote. I am glad to note that there is a slight increase in it. It still is a very small amount for us to be spending out of our national budget on this phase of culture. I note that we have gone up from $186,000 last year to $260,000 this year. I am glad to note that included in this vote

for this year is an item of $15,000 for preliminary investigations regarding a proposed new national gallery building. I wonder if the minister has any statement as to any plans in connection with those investigations? What is in mind? How is it intended to spend this $15,000?

Mr. Fournier (Hull): I understand this will be spent to send an expert to the United States to see how they are conducting their work in that field of endeavour.

Mr. Knowles: I would mention the fact that as it now stands we have both the national museum and the national gallery in the same building, and I believe some branches of the Department of Mines and Technical Surveys are in there as well. It seems to me urgent that we get along with this, and I hope the investigations that will be made will include consideration as to ways and means of making the advantages of the national gallery available in some way in other parts of Canada as well as Ottawa.

Mr. Macdonnell (Greenwood): I should like to add a word to endorse what has just been said by the hon. member for Winnipeg North Centre. I hope serious consideration will be given to making the advantages available far and wide throughout Canada.

Mr. Harkness: I should like to endorse that also. I see there was $60,000 last year for the purchase of works of art and $75,000 to be voted this year. I am thoroughly in agreement with the increase. Would the minister tell us how many pictures were purchased last year, and how many were by Canadian artists?

Mr. Fournier (Hull): I have here the note respecting additions to the collection. Additions to the national gallery collection during the year include an important early Flemish painting, the "Pieta" by Quentin Massys; an outstanding example of the work of Auguste Renoir, "Claude et Renee"; "Family Group" by Johann Zoffany, and a bronze bust of Bernard Shaw by Jacob Epstein. Notable additions were also made to the collection of master drawings and prints. The following Canadian works have been purchased:

B. C. Binning, "Ships in Classical Calm."
Paul Emile Borduas, "Parachutes Vegetaux."
Charles F. Comfort, "Major W. A. Ogilvie, M.B.E."
Stanley Cosgrove, "Still Life with Milk Jug."
Stanley Cosgrove, "Landscape."
Maurice G. Cullen, R.C.A., "St. John's Harbour, Newfoundland."
Sylvia Daoust, A.R.C.A., "Jeune Huronne" (bronze).

Mr. Harkness: The minister need not read the whole list. I would be content if he would tell me the proportion of the vote spent on Canadian paintings.

[Mr. Knowles.]

Mr. Fournier (Hull): I shall get that information for the hon. member.

Mr. Macdonnell (Greenwood): Including commitments.

Item agreed to.

General—

354. Miscellaneous works not otherwise provided for, not more than $7,000 to be expended upon any one work, $300,000.

Mr. Macdonnell (Greenwood): This again introduces the interesting subject of commitments or cushions. I draw the minister's attention to the fact that here we have $300,000, and again in item 356 we have $300,000. Will the minister say a word as to how that fits in? This is a kind of over-all vote, in case the other is not sufficient.

Mr. Fournier (Hull): There is no commitment in that.

Mr. Macdonnell (Greenwood): I described it as a cushion. I thought it was related to the commitments we have been talking about, which were also described as cushions. We have here, in the two items, $600,000.

Mr. Fournier (Hull): These are for small works. Every year there are a great many small works urgently pressed for such as engine hoists to assist fishermen and things of that kind which in former years were charged to a general vote; but now, owing to the restricted wording of the vote in new works to be undertaken, that is impossible. The amounts are too small to merit a special vote for each item.

Item agreed to.

General—

355. National capital planning service, $117,910.

Mr. Macdonnell (Greenwood): I should like to have a word on this item—where we stand on it, and what obligations are being incurred, if any, and what the general status of the project is—because, after all, this a very big and far-reaching project.

Mr. Fournier (Hull): The details of this expenditure are as follows:

Salaries	$67,910
Topographic model of national capital area (National Film Board)	2,500
Subscriptions to technical publications and purchase of technical books	150
Transportation of staff and technical officers within the region for reconnaissance and establishing necessary contacts	500

Mr. Macdonnell (Greenwood): May I interrupt the minister? I did not wish to have all that detail. I was wondering however if this would not be the appropriate place to hear from the minister a brief résumé as to the

status of the whole plan. What is this obligation, which is running into many millions of dollars? As I understand it, there is a whole over-all plan and, while I am not suggesting the minister should go back to describe what has happened from the beginning, I should like to know whether anything has taken place within the last year which directly or indirectly adds to our obligation. Have certain things been done, and are there certain things to be done?

Mr. Fournier (Hull): This staff is preparing a master plan on the national capital area. They have filed a preliminary report, and are working on their final report. The report, when it comes in, will cover a very wide field of changes all through the area.

I have no authority in respect of the staff; they are paid out of the estimates of the Department of Public Works, but the federal district commission comes under the president of the council, who happens to be the Prime Minister.

Mr. Macdonnell (Greenwood): Does that mean that the information as to the national planning commission will come from the Prime Minister's department?

Mr. Fournier (Hull): That is right.

Item agreed to.

General—

356. To supplement, on approval of treasury board except where less than $500 is required, any of the appropriations of the Department of Public Works, $300,000.

Mr. Macdonnell (Greenwood): Mr. Chairman, this would seem to be exactly the kind of thing I understood the minister was describing as a cushion for other commitments. Is this just put in for good measure?

Mr. Fournier (Hull): Well, I did not invent this. Here is the explanation given: Unforeseen conditions are met with frequently, particularly in reconstruction and dredging works—

Mr. Macdonnell (Greenwood): You told us that before.

Mr. Fournier (Hull): —which increase the cost of work beyond the estimated amount and consequently the appropriation voted therefor falls short. Before we had this vote, on such occasions, it was necessary to curtail the work in hand irrespective of the urgency, unless the work was under contract and the contractor agreed to complete the work and await payment until further funds were voted in the following fiscal year.

This appropriation, commenced 1938-39, is intended to supplement any appropriation of the department including special supplementary estimates, if any, and regular supplementary estimates as required, on approval of treasury board.

Mr. Macdonnell (Greenwood): I think the minister read that before. We know that.

Mr. Fournier (Hull): Well, I am trying to give the hon. member what I have, and what I know.

Item agreed to.

The Deputy Chairman: Shall I report progress?

Mr. Green: Has the minister the figures yet for the amounts paid in respect of the Alvin building before the option was exercised? He promised this afternoon he would get them.

Mr. Fournier (Hull): I gave the amount this afternoon of $1,066,000.

Mr. Green: In addition to that the minister was to get the amounts that were paid before the option was exercised.

Mr. Fournier (Hull): As to the rent. My officials have not been back to the office. I have not that information now but we will try to have it on Monday.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, on Monday we will take up the following bills: Bill No. 268, an act to amend the Foreign Insurance Companies Act, 1932; Bill No. 269, an act to amend the Canadian and British Insurance Companies Act, 1932; Bill No. 310, an act to authorize the provision of moneys for the C.N.R.; Bill No. 303, an act to amend the Canada Shipping Act, to be referred to a committee; Bill No. 311, an act to amend the Dominion Elections Act, 1938. Then we will go into supply and call one item of the Prime Minister's estimates to stand. Then we will take up the estimates of labour, and national health and welfare.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian Affairs branch—

54. Branch administration, $242,050.

55. Indian agencies, $2,657,990.

Reserves and trusts—

56. Administration, $98,565.

Welfare—

57. Welfare of Indians, $3,772,419.

58. Grants to agricultural exhibitions and Indian fairs, $7,325.

Education—

59. Indian education, $4,966,989.

60. Grants to residential schools, $2,488,130.

61. Grant to provide additional services to Indians of British Columbia, $100,000.

62. Fur conservation, $339,680.

DEPARTMENT OF PUBLIC WORKS

288. Departmental administration, $350,605.

Architectural branch—

289. Branch administration, $437,290.

290. Ottawa—Maintenance and operation of dominion public buildings and grounds, including rents, repairs, furniture, heating, etc., and to authorize commitments against future years in the amount of $500,000, $8,617,000.

291. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc., and to authorize commitments against future years in the amount of $500,000, $12,686,315.

Construction, repairs and improvements of public buildings—

Construction, acquisition repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—

292. Newfoundland, $455,000.

293. Nova Scotia, $1,350,000.

294. Prince Edward Island, $900,000.

295. New Brunswick, $2,200,000.

296. Quebec, $8,500,000.

297. Ontario, $10,000,000.

298. Manitoba, $1,400,000.

299. Saskatchewan, $1,700,000.

300. Alberta, $2,600,000.

301. British Columbia, $3,150,000.

302. Yukon and Northwest Territories, $150,000.

303. Generally, $2,000,000.

Dominion public buildings—

Improvements and repairs and to authorize commitments against future years in the total amount of $800,000, as follows—

304. Newfoundland (commitment authority $100,000), $300,000.

305. Maritime provinces generally (commitment authority $100,000), $600,000.

306. Quebec (commitment authority $100,000), $1,000,000.

307. Ontario (commitment authority $100,000), $1,000,000.

308. Manitoba (commitment authority $50,000), $225,000.

309. Saskatchewan (commitment authority $50,000), $295,000.

310. Alberta (commitment authority $50,000), $250,000.

311. British Columbia (commitment authority $50,000), $525,000.

312. Public buildings generally (commitment authority $200,000), $300,000.

Engineering branch—

313. Branch administration, $352,885.

314. Engineering, including salaries of engineers, clerks, etc., $1,743,094.

Dredging—

315. General superintendence, $16,635.

316. Newfoundland, $764,200.

317. Maritime provinces, $1,694,000.

318. Ontario and Quebec, $1,679,264.

319. Manitoba, Saskatchewan, Alberta and Northwest Territories, $389,000.

320. British Columbia and Yukon, $722,800.

Maintenance and operation of graving docks, locks and dams, etc.—

321. Champlain graving dock, $168,510.

322. Esquimalt graving dock, $131,170.

323. Esquimalt old dry dock, $9,000.

324. Lorne graving dock, $179,345.

325. Selkirk—repair slip, $6,000.

326. Locks and dams, $312,115.

327. Snagboats, $106,270.

Maintenance and operation of roads and bridges—

328. Burlington channel bridge, $93,950.

329. Kingston, La Salle causeway, $50,275.

330. New Westminster bridge, $65,620.

331. Towards international bridge over the St. Croix river between St. Stephen, N.B., and Calais, Me., the state of Maine to pay a like amount (revote), $10,000.

332. Generally, $97,498.

Construction, repairs and improvements—harbours and rivers—

Construction, acquisition, repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—

333. Newfoundland, $1,100,000.

334. Nova Scotia, $3,500,000.

335. Prince Edward Island, $1,300,000.

336. New Brunswick, $3,250,000.

337. Quebec, $7,000,000.

338. Ontario, $5,000,000.

339. Manitoba, $398,000.

340. Saskatchewan, Alberta and Northwest Territories, $228,500.

341. British Columbia and Yukon, $4,200,000.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, and to authorize commitments against future years in the total amount of $610,000, as follows:

342. Newfoundland (commitment authority $100,000), $400,000.

343. Nova Scotia (commitment authority $100,000), $600,000.

344. Prince Edward Island (commitment authority $35,000), $135,000.

345. New Brunswick (commitment authority $65,000), $200,000.

346. Quebec (commitment authority $125,000), $600,000.

347. Ontario (commitment authority $75,000), $350,000.

348. Manitoba (commitment authority $25,000), $60,000.

349. Saskatchewan, Alberta and Northwest Territories (commitment authority $10,000), $25,000.

350. British Columbia and Yukon (commitment authority $75,000), $425,000.

Generally—

351. Fraser river—50 per cent of cost of investigations to be carried out by the dominion-provincial board Fraser river basin (revote $45,000), $72,500.

352. Protection works generally—to provide for remedial works where damages are caused by, or endanger, navigation or federal government structures, $750,000.

General—

353. National Gallery of Canada, $260,770.

354. Miscellaneous works not otherwise provided for, not more than $7,000 to be expended upon any one work, $300,000.

355. National capital planning service, $117,910.

356. To supplement, on approval of treasury board except where less than $500 is required, any of the appropriations of the Department of Public Works, $300,000.

357. To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1950-51, $150,000.

HOUSE OF COMMONS

Monday, June 19, 1950

The house met at eleven o'clock.

THE LATE JOHN R. MacNICOL

DEATH OF FORMER MEMBER FOR DAVENPORT—EXPRESSIONS OF REGRET AND SYMPATHY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I realize that it is not customary to refer to the passing of persons who were formerly members of this house. However, in a few cases exceptions should be made, and I believe the sudden death of John R. MacNicol, the former member for Davenport, should be one of those cases.

I was shocked to learn of Mr. MacNicol's passing. For the last few months we have been corresponding with respect to a project which was very dear to him, and as a matter of fact I was in the process of acknowledging a letter he had written me only last Friday when I heard of his death. As I am sure all hon. members will agree, for many years Mr. MacNicol was a beloved and revered figure in this house. He was first elected as a Conservative in 1930, and was re-elected continuously until the general election of 1949. I suppose Mr. MacNicol was one of the most travelled members of parliament. When the house was not in session he was usually off to acquaint himself with various parts of our country and learn of the problems of those living in other provinces and territories. As a result of his travels he acquired a vast store of knowledge on matters relating to irrigation and the development of our resources generally, which he put to very good use on his return to the house.

It can be said of Mr. MacNicol, I think, that at least among members of parliament he counted none but friends. Those who knew him were struck by his kind and gentle manner, by his good nature, and by his sense of service not only to his own constituents of Davenport but to all Canadians everywhere.

On behalf of my colleagues on this side of the house I should like to express to the leader of the party to which Mr. MacNicol belonged our sincere sympathy.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I think it is a fitting tribute to our late friend John R. MacNicol that the Prime Minister (Mr. St. Laurent) should have varied the ordinary custom to indicate the regret felt in every part of the house, as in every part of Canada, at the passing of a truly great Canadian.

In many ways John R. MacNicol was a unique figure. He was extremely loyal to the party in which he believed and of which he was a member; he had served that party in its highest offices, but in his untiring efforts to advance the best interests of this country he continued to make recommendations for the development of our resources, the conservation of our soil, and so on, only in the hope that the dominion government, the provincial governments or the municipal governments concerned, without regard to political point of view, might carry out the plans in which he believed.

As the Prime Minister has said, of those members who knew him over the years each one was a friend. Mr. MacNicol was untiring in his efforts to encourage recognition of the possibilities of increasing the productive capacity of our country, by reclamation, by conservation, by irrigation in western Canada, by power development in the maritime provinces, and generally by the development of our great resources.

Mr. MacNicol was always proud of Toronto. He never failed to express his pride in what Toronto was to him, and what he believed it would be in the years ahead. But he was equally anxious at all times to serve every part of this country. As has already been stated, between sessions he visited every part of Canada in an effort to encourage the furthering of those plans in which he believed. He will be greatly missed by all who knew him, and by Canadians everywhere who were encouraged by his bright vision of the future. While certainly not a young man at the time of his passing, that vision and the prospects ahead had never been dimmed; his eyes were always on that bright horizon.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I join with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in expressing regret at the passing of Mr. MacNicol. The seating arrangements in parliament threw us together, and for two parliaments we sat side by side. I got to know Mr. MacNicol well. Each session we looked forward to the report that he would make of his travels during the recess. Speaking as one who represents a prairie

constituency, I know that I express the appreciation of the people in Alberta and Saskatchewan, perhaps Saskatchewan particularly, for the great interest he took in the welfare of the communities adjacent to the great rivers, and his untiring efforts on behalf of the irrigation plans that have been discussed over the years.

Mr. MacNicol lived a full life. I sometimes think there is much to be thankful for when a man lives a full life, as he did, and passes as he passed. Spared a long period of illness, in the full vigour of his intellect, and deeply interested, as the Prime Minister has indicated, in the schemes which he supported, he has passed to his reward. It recalls to all of us that ancient phrasing of the Book of Common Prayer, "In the midst of life we are in death".

Mr. Solon E. Low (Peace River): Mr. Speaker, we should like to associate ourselves with the tributes that have been paid to the late Mr. MacNicol, and to express our sincere regret at his sudden passing. We learned to love and admire the fine qualities of this great man. We in the west particularly were grateful to him for the way in which he interpreted the east to the west and the west to the east; and he contributed greatly to national and international understanding and good will.

We believe that Mr. MacNicol was instrumental in inducing much development in the west. He was one of the few men I knew who really understood how important it was that the west be developed. He recognized how important its development would be as a market for eastern manufacturers, and he spent a great deal of time trying to establish various types of works in the west that would help us to get the type of development we needed. We loved him for what he was—a sincere, honourable, fine gentleman.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, the tributes paid to the memory of Mr. John Ritchie MacNicol were fitting and well deserved. I knew him well and liked him. He was an excellent member of parliament, spending his time during the session either in the house or in his office getting information for his summer travels. He was more than a traveller; he was an explorer and prospector. He never missed an opportunity to improve his knowledge about Canada, his beloved country; and he never missed an occasion to help anyone. As one of his colleagues, I remember many instances of his political courage; he was most useful in his own way. I cannot forget it. He was scholarly and well informed. He was endowed with a high degree of public spirit, and his career was useful not only to his constituents, not only to the city of Toronto which he loved, not only to the province of Ontario, but to the whole country. Whenever he had a practical suggestion to make, he looked so happy. He looked happier only when he had support for his suggestion.

Sir, I must say that although some of our political beliefs were different, we were very good friends, just as I was with the late Tommy Church, who was a close friend of Mr. MacNicol. Tommy used to call Mr. MacNicol "John R.," and so did I. John R. used to call Mr. Church "Tommy", as we all did. They were fine men; they represent the glorious past of the Conservative party.

Mr. MacNicol has occupied high positions in the party. If I recall aright, he was president of the dominion Conservative association, and presided over one of the conventions that selected a leader. He saw to it that there was a fine book published with the names and pictures of all the delegates. He gave me one.

May I be permitted to recall one incident in particular when Mr. MacNicol helped me a great deal. It was during the difficult sessions of the civil service committee. I had some difficulty with my Conservative colleagues who wanted some information to be considered confidential. I spoke of it to someone who spoke to somebody else, and the somebody else spoke to Mr. MacNicol, who saw the leader of his party. Things were arranged so that we could get the information required, but it took a lot of good will and good disposition. Mr. MacNicol was always there whenever he was needed to give a hand to his colleagues.

I must recall to hon. members that his family and Mr. Mackenzie King's family were very close friends, and tributes were paid to Mr. MacNicol in the house by the former prime minister. I cannot do otherwise than tell my leader that I am delighted that he has paid such a fine tribute to the memory of a great member of parliament and a great Canadian. I congratulate the leader of the opposition, the leader of the C.C.F. group (Mr. Coldwell) and the leader of the Social Credit group (Mr. Low) for having also spoken so well about a beloved colleague who has just passed to the great beyond.

Mr. David A. Croll (Spadina): Mr. Speaker, in the absence of the hon. member for Danforth (Mr. Harris) and the hon. member for Davenport (Mr. Hellyer) I wish to pay tribute to the former member for Davenport, whom I knew in this house and outside of it as a most kindly gentleman. He was a man of wide interests, extending far beyond his own constituency, and of great attainments,

which he displayed in the house on many occasions. To me he exemplified true Canadianism. He was greatly respected throughout the country, and was particularly loved in the city of Toronto. I am sure the house will agree with me that he will be missed in the Canadian scene. His passing is a matter of personal loss to the people of the city of Toronto. He will be particularly missed there.

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, as a backbencher may I concur in everything that has been said by those who have preceded me in paying tribute to a great Canadian. The late John R. MacNicol was always a booster for the development of our natural resources, both in the east and in the west; but he was particularly interested in irrigation projects in Alberta.

In the passing of Mr. MacNicol we in southeastern Alberta have lost a great eastern booster for the development of our irrigation projects. He will be sadly missed by every one of us in that area; but his memory will be cherished and will give us added strength to carry on where he has left off, until our dreams are realized and we shall have water flowing over more of the dry areas of the western plains.

May I extend to his relatives my deepest sympathy.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 312, to incorporate the Association of Kinsmen Clubs.—Mr. Benidickson.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SEVEN ISLANDS INDIAN RESERVE—CONSTRUCTION OF SCHOOL

Mr. Courtemanche:

1. What are the names of the persons submitting tenders for the construction of a school on the Seven Islands Indian reserve, county of Saguenay?
2. What is the amount of each of the above-mentioned tenders?
3. To whom and at what price was the contract awarded?

Mr. Harris (Grey-Bruce):

1 and 2.

Contractor—Address—Amount of Tender.

Lucien Tremblay, Riviere Portneuf, Que., $312,000.

North Shore Construction Company Limited, 307 Castle building, Montreal, Que., $359,450.

Frs. Jobin Inc. 88 Chemin St. Louis, Quebec, P.Q., $361,400.

A. Deslauriers et Fils Ltée., 68 rue Lalemant, Quebec, P.Q., $424,300.

Jos. Eugene Tremblay, 127 rue de la Ronde, Quebec, P.Q., $433,000.

A sixth tender was received after the closing date for receiving tenders, from the Sept Iles Development and Construction Limited, in the amount of $348,176.

3. Lucien Tremblay, Riviere Portneuf, Que., $312,000.

CO-ORDINATOR OF PUBLIC PROJECTS

Mr. Knowles:

1. On what date was Lieutenant Colonel the Hon. Jules Andre Brillant appointed co-ordinator of public projects, and on what date did he cease to hold this position?
2. On what date was H. W. Lea appointed co-ordinator of public projects, and on what date did he cease to hold this position?
3. What persons were appointed as acting co-ordinators of public projects, and what were the dates of the tenure of each such appointment?
4. How much was paid to (a) Lieutenant Colonel the Hon. Jules Andre Brillant; (b) H. W. Lea; (c) each of the acting co-ordinators (i) in salary; (ii) expenses?
5. Are there any reports on the work of (a) Lieutenant Colonel the Hon. Jules Andre Brillant; (b) H. W. Lea; (c) each of the acting co-ordinators on their work in connection with the co-ordinating of public projects?
6. If so, are such reports available, and how may they be obtained?
7. Are there any reports on the work of the regional councils appointed for the purpose of recommending public projects? If so, are such reports available, and how may they be obtained?
8. Are there any reports on the work of the permanent executive staff of the above councils? If so, are such reports available, and how may they be obtained?

Mr. Prudham:

1. Appointed February 1, 1945, terminated August 1, 1949; Hon. J. A. Brillant, acting as co-ordinator of public projects for Quebec province only, from the date that H. W. Lea was appointed co-ordinator of public projects.

2. Appointed July 2, 1945, terminated May 31, 1948.

3. (a) G. D. Mallory, appointed June 1, 1948, terminated June 15, 1949.

(b) H. G. Cochrane, appointed June 16, 1949, terminated January 18, 1950.

4. (a) (i) Nil; (ii) nil; (b) (i) $21,170.40; (ii) $2,611.96; (c) G. D. Mallory (i) nil; (ii) $39.80; (d) H. G. Cochrane (i) $4,425.41; (ii) $649.75.

5 and 6. No formal report on the work of the co-ordinators of public projects is available other than that contained in the annual report of the department of reconstruction and supply for the fiscal year ending March 31, 1949, under the heading "Public Projects Branch". Monthly departmental reports of

the work of that branch back to the year 1945, are contained in the files of the former public projects branch of the department of reconstruction and supply, but they are not available for publication.

7. Yes, but they are not available for publication.

8. No.

BOUCHARD PLANT, STE. THERESE, QUE.

Mr. Bertrand:

1. What was the scale of hourly wages for each class of work at the Bouchard plant, Ste. Therese, prior to April 1, 1950?
2. Has there been any wage reduction since April 1, 1950?
3. If so, what is the new wage scale, and what classes of work are affected?
4. By whom were the wage changes authorized, and what reasons?

Mr. Blanchette:

1.

Classification	Prior to April 1, 1950 Ste. Therese Rates
Carpenter	$1.00 p.h.
Painters	.95 "
M.T. drivers	.75 "
Motor mechanic	.90 "
Electrician	1.05 "
Lineman	.90 "
Heavy equipment operator	1.05 "
Labourer	.75 "
R.R. conductor	1.22 "
R.R. engineer	1.22 "
R.R. trainman	1.20 "
Trackman	.87 "
R.R. fireman	1.02 "
Plumbers and steamfitters	1.05 "
Machinist	1.00 "

2, 3 and 4. The Ste. Therese rates, which are prevailing rates, are at present under review by the Department of Labour, but have not yet been changed.

GANDER, NFLD., AIRPORT RADIO STAFF EMPLOYEES

Mr. Higgins:

1. Are the radio staff employees at Gander airport to be given full credit for past services as recognized by the government of Newfoundland?
2. If so, what steps are being taken in this respect?

Mr. Chevrier:

1. Yes.

2. Action completed.

CANADIAN NATIONAL STEAMSHIPS—NEWFOUNDLAND SERVICES

Mr. Higgins:

1. Have any arrangements been made by the Canadian National Railways to purchase new ships for its Newfoundland services?
2. If so, how many, and when?

[Mr. Prudham.]

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. The Canadian National Railways have under consideration the purchase of one additional ship for service on the east coast of Newfoundland. It is expected that the specifications will be completed and order placed in the near future. In addition, there is now under consideration a proposed combination cargo-passenger-automobile ferry for service between North Sydney and Port aux Basques, which when received should release one and possibly two vessels presently operating in the North Sydney-Port aux Basques service to augment the Newfoundland coastal service.

2. See answer to No. 1.

COMMUNIST ACTIVITIES

Mr. Diefenbaker:

Does the Minister of Justice send regular or any reports regarding communist activities that come to the knowledge of the security branch of the Royal Canadian Mounted Police to the attorneys general of the respective provinces, to which such reports would be applicable?

Mr. Garson: The Minister of Justice does not send regular reports concerning communist activities that come to the knowledge of the security branch of the Royal Canadian Mounted Police to the attorneys general of the provinces; for officers commanding the Royal Canadian Mounted Police in the six provinces policed by the Royal Canadian Mounted Police under contract are responsible for keeping the respective attorneys general informed regarding communist activities, and in other provinces liaison is maintained by the Royal Canadian Mounted Police with the respective provincial police forces in matters relating to subversive activities.

PYREX OVENWARE

Mr. Matthews:

1. What is the rate of tariff protection, if any, enjoyed by pyrex ovenware imported into Canada?
2. Who are the manufacturers of pyrex ovenware and who are the distributors for Canada?

Mr. McCann: 1. "Pyrex" glass ovenware is subject to entry under tariff item 326g. Articles covered by this item are free of customs duty under the British preferential tariff, and are subject to duty as the most-favoured-nation tariff rate of 15 per cent ad valorem when they are produced in and imported from the United States or other most-favoured-nation countries.

2. (a) Corning Glass Works, Corning, N.Y.; Corning Glass Works of Canada Limited, Leaside, Ont. (b) No information available.

GRAIN PURCHASES BY BREWING AND DISTILLING COMPANIES

Mr. Catherwood:

1. Has the government a record of the amount of grain purchased by brewing and distilling companies in Canada in each of the years 1947, 1948, 1949?

2. If so, what types of grain were purchased and what amount of each, in bushels?

Mr. McCann: No record is kept of the amount of grain purchased by brewing and distilling companies, but the following shows the grain used. These figures are only available in pounds.

Distilleries

Fiscal years	Barley Malt
Mar. 31, 1947	38,118,151
Mar. 31, 1948	49,997,856
Mar. 31, 1949	31,699,705
	Corn
Mar. 31, 1947	91,807,930
Mar. 31, 1948	248,056,463
Mar. 31, 1949	176,368,186
	Rye
Mar. 31, 1947	24,545,992
Mar. 31, 1948	25,694,278
Mar. 31, 1949	30,189,564
	Wheat
Mar. 31, 1947	108,082,769
Mar. 31, 1948	16,094,056
Mar. 31, 1949	1,971,636
	Other Grains
Mar. 31, 1947	25,090,790
Mar. 31, 1948	18,522,147
Mar. 31, 1949	13,490,999

Breweries

	Malt
Mar. 31, 1947	318,185,638
Mar. 31, 1948	349,087,636
Mar. 31, 1949	360,167,623
	Other commodities (generally corn or rice)
Mar. 31, 1947	4,221,725
Mar. 31, 1948	5,300,170
Mar. 31, 1949	4,606,844

QUESTION PASSED AS ORDER FOR RETURN

PENSIONS—OLD AND BLIND

Mr. Knowles:

1. What was the total amount paid to (a) old age pensioners, and (b) blind pensioners, during the three-year period from April 1, 1946, to March 31, 1949, in each province, and also in the Northwest Territories?

2. What was the total amount spent by each province in administering old age and blind pensions for the period April 1, 1946, to March 31, 1950?

3. What was the total amount spent by the federal government in administering old age and blind pensions for the period April 1, 1946, to March 31, 1950?

Inquiries of the Ministry

BUSINESS OF THE HOUSE

WEDNESDAY EVENING SITTINGS

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That on Wednesday, June 21, 1950, and every Wednesday thereafter until the end of the present session, the sittings shall in every respect be under the same rules as are now provided for other days.

Motion agreed to.

INQUIRY FOR RETURNS

REPORTS TO UNEMPLOYMENT INSURANCE COMMISSION—STEEP ROCK IRON MINES, FEDERAL ASSISTANCE—CARLETON COUNTY, N.B., RURAL MAIL SERVICE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Secretary of State to look into the possibility of getting certain returns down for me which are one, two and three months old. The first motion is to be found in *Hansard* of March 29, at page 1349, relating to unemployment; the second one will be found in *Hansard* of April 19, at page 1689, relating to Steep Rock, and the third one will be found in *Hansard* of May 24, at page 2803, relating to certain post office contracts.

Hon. F. G. Bradley (Secretary of State): I shall be glad to facilitate the obtaining of that information.

FISHERIES

GRAND BANKS—OPERATION OF FOREIGN TRAWLERS —REPORT OF SALT COD FISHERY INVESTIGATORS

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the Minister of Fisheries. Is the minister aware of conditions on the grand banks of Newfoundland, in that trawlers of foreign nations are causing damage to property and endangering the lives of Newfoundland and Nova Scotia fishermen fishing there? If so, will the minister outline what he proposes to do in the matter? What is the result of the recent visit to Newfoundland of the special investigators sent by the department?

Hon. R. W. Mayhew (Minister of Fisheries): The hon. member for St. John's East followed his usual practice and sent me notice of his question, which is appreciated. We are aware of the problems in this area. The area itself is international waters, and control would require an international agreement among the various countries.

We are asking the captains of the Canadian fishing vessels to keep records and give us

evidence of any destruction of or interference with the Canadian fishing gear. Further, we intend to discuss the problem with European countries this fall when our representative goes to Europe on other business, so that we might ultimately have a conference on the rules of the road in the northwest Atlantic. We are also sending our largest vessel, the *Cygnus*, into that area to give what protection we can to the Canadian fishermen and also to their vessels, but I might point out that the vessel is not going as a policeman; it is going to render assistance.

The hon. member's second question was:

What is the result of the recent visit to Newfoundland of the special investigators sent by the department?

The representatives returned from Newfoundland a few days ago and have prepared their report. They first submitted it to the fisheries prices support board. I have received it verbally, but not officially. The committee met on Friday, and again on Saturday. I think they will be making a full report today. This report will then go to my colleagues for consideration, along with my recommendation, and when it has been dealt with by cabinet, will be presented in due course.

The trawler policy of the government was outlined in the statement that I made some time ago and has not been changed to date.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Hon. Douglas Abbott (Minister of Finance) moved the second reading of Bill No. 310, to authorize the provision of moneys to meet certain capital indebtedness incurred by the Canadian National Railways system during the calendar year 1950, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

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

Section 1 agreed to.

On section 2—*Power to issue security for capital expenditures.*

Mr. Macdonnell (Greenwood): I want to ask the minister one or two questions with regard to clause 2. Looking at the schedule of figures set out I notice that the first line reads: "Additions and betterments (less retirements)." Will the minister explain the phrase "less retirements"?

[Mr. Mayhew.]

Mr. Abbott: Yes. The additions and betterments all told are $30 million odd, as indicated in the statement. Acquisition of securities, $717,000, I think relates to the point which my hon. friend has raised.

Mr. Macdonnell (Greenwood): No; I did not make myself clear. The first line says: "Additions and betterments (less retirements)". I want the meaning of that phrase.

Mr. Abbott: I beg your pardon. There are equipment and equipment retirements, $3,771,980, which have been fully amortized out of depreciation.

Mr. Macdonnell (Greenwood): When the minister says "equipment retirements" I am not sure that I am quite clear as to what he means. These are additions and betterments. One explanation I got, and which I am not quite clear about, was that actually there are certain recoveries from additions or betterments which turned out not to be needed and are in fact cashed in on; is that correct?

Mr. Abbott: I am afraid I shall have to inform myself on that. I am not too familiar with the operations of the Canadian National Railways. The information which I have before me is that the additions and betterments, as estimated and in the capital program of the Canadian National Railways which was before the sessional committee on railways, are $35,872,059, less equipment retirements credited, $3,771,980. The exact way in which that credit for equipment retirements is arrived at I am afraid I shall have to inform myself on and give it to my hon. friend later.

Mr. Macdonnell (Greenwood): There is a figure lower down which I am also a little confused about. The total of authorized expenditures, the minister will see, is $42 million odd. Then at the bottom of the page we come to this item: "Amount estimated to be available from reserves for depreciation and debt discount amortization, $17,935,000," which is a deduction. My question is this. Depreciation I think we understand, but I would like to be quite clear as to the figure of debt discount amortization. I should like to know what it exactly means. Second, I should like to know whether in making this deduction the depreciation, for example, has any relation, let us say, to the particular additions and betterments that are being made, or whether it is an arbitrary figure just taken out of the general depreciation and used as a means of reducing the $42 million to $24 million. I think that is a matter of some substance, and I should like to understand it better.

Mr. Abbott: I can only assume that the usual practice would be followed, that the railway is taking depreciation on its depreciable assets at the appropriate rate, and that there is out of the depreciation reserves cash available to purchase all new equipment which, if it were not available, would have to be obtained by additional borrowings.

While I am on this point I should like to clarify the answer to a question, which was given by my parliamentary assistant to my hon. friend on the resolution stage, as to the method of financing additional capital for Trans-Canada Air Lines. I think he said at that time that such additions were included in the requirements of the Canadian National Railways. As to that he was misinformed. The position with respect to the Trans-Canada Air Lines is this. As the committee is aware, the capital of $25 million was provided by the Canadian National Railways. Up to the present time additional capital requirements have been financed out of available depreciation reserves in the Trans-Canada Air Lines. Should these amounts be insufficient at some future date, it would be necessary either to obtain additional capital for the Trans-Canada Air Lines presumably from the Canadian National Railways or to obtain authorization to borrow, as is the case under this statute.

Mr. Macdonnell (Greenwood): As to what the minister said about Trans-Canada Air Lines, I take it that that point may arise again when we get to section 10. Coming back to section 2, what the minister said about equipment does not seem to be relevant to this figure of $17 million about which I asked, because we have just above that a special item for equipment. I shall not delay the procedure at the present time, but would ask the minister to let me have further information with respect to depreciation and debt discount, because I think we should be satisfied that we are not giving ourselves in this instance any easement that is not fully justified.

Mr. Abbott: I shall be happy to do that. I notice from the information before me that for last year the comparable figure showed that there was estimated to be available $15,738,000 from the same reserve. I had assumed that all that detail had been discussed in the standing committee, and that in the committee of the whole I would be required to give only a general figure. However, I shall get the information for the hon. member and see that it is furnished to him.

Mr. Black (Cumberland): Is any provision being made in this large appropriation of more than $42 million for the betterment of and additions to railways in Nova Scotia, having special reference to the condition of the road from New Glasgow to Cape Breton? This road is noted for having the poorest alignment of any road in all Canada, having regard to the amount of traffic it carries. It is necessary that there be first class railway facilities in this district in the years just ahead.

Mr. Abbott: Here again I am afraid I am not in a position to give that information. The committee will recall that the method followed with respect to C.N.R. financing is that its capital budget is placed before the sessional committee which deals with railways owned and operated by the government. When the budget is approved by that committee, the Minister of Finance then comes to the House of Commons asking for an appropriation act to authorize the necessary borrowing to cover those requirements. It is usually expected that the details as to the places where capital equipment will be used will be ascertained in the committee when the railway officials are in attendance. I have before me of course details as to the equipment to be purchased out of the borrowing to be authorized by this bill. I have not available at the moment details as to where that equipment is to be used. I could get it, if required.

Mr. Black (Cumberland): Some of us did not find it convenient to attend the sittings of that committee. It appears to me that the minister should have the particulars of this large capital appropriation so that he might advise the committee as to where these major expenditures will be made.

Mr. Abbott: I can do it, of course. I have complete details of how the money is to be spent, but I have not details as to where locomotives, flat cars, refrigerator cars and the like are to be operated. This has nothing to do with the improvement of rail facilities or roadbeds in various parts of Canada. The section now before us relates entirely to the acquisition of additional rolling stock. I would suppose that that rolling stock would be available for use in any part of Canada.

Mr. Black (Cumberland): Before this section is permitted to pass I should like to know if any provision is being made for the completion of the Guysborough railway. This matter has been before the house in one way or another ever since I have been here, and has always appeared in its most encouraging form just before elections. Has any provision been made for the completion of the Guysborough railway in Nova Scotia?

Mr. Abbott: Not in this bill.

Mr. Black (Cumberland): Can the minister tell us whether any provision is being made?

Mr. Abbott: Not being the Minister of Transport, I have not that information. Perhaps the hon. member could get it from the Minister of Transport. My responsibility under this bill is to get authorization to borrow the money required to do the things set out in this section. Of course I shall bring the hon. member's question to the attention of the Minister of Transport, but I would not be in a position to answer it in a discussion on this bill. I could not under this bill give explanations of the ordinary operations of the Canadian National Railways in any part of Canada. I suggest that perhaps it is unreasonable to expect me to do so.

Mr. Adamson: The minister has said that he would give details as to the rolling stock. I suggest that that should be done. I was a member of that committee, and I recall the debate with Mr. Gordon on this matter of new rolling stock, particularly new tractive power. While Mr. Gordon would not commit himself definitely as to the over-all increase in efficiency of new rolling stock, he was most emphatic about the increased efficiency of diesel tractive power over steam power. I am sure the committee would be interested in having the full details.

Mr. Abbott: The following table will give that information:

Details of the item—new equipment, $8,751,400
Equipment for which financial provision is required during 1950:
3 1,000 h.p. diesel locomotives (M. & S.C. Railway)
4 3,000 h.p. diesel road locomotives
20 1,000 h.p. diesel switch locomotives
18 600 h.p. diesel road switchers
22 600 h.p. diesel road switchers
100 covered hopper cars
3 depressed flat cars
25 automobile cars (Newfoundland)
60 30-ton box cars (Newfoundland)
35 de luxe air-conditioned coaches
5 mail and express cars
3 mail cars (Newfoundland)
50 standard baggage cars
4 standard baggage cars (G.T.W.)
3 standard baggage cars (Newfoundland)
10 express refrigerator cars (Newfoundland)
6 sleepers (Newfoundland)
50 sleepers
7 cafe parlour cars
10 diners
3 electric locomotives (suburban service)
6 multiple unit cars (suburban service)
15 multiple unit car trailers

Mr. Black (Cumberland): It is important to Nova Scotia to know the policy of the government and the department as to the introduction of diesel power in those areas where coal mines depend so greatly upon use of coal by the railways. Is the minister able to give any specific information with respect to that policy as it is applied to Nova Scotia?

[Mr. Black (Cumberland).]

Mr. Abbott: I am afraid I am not. I should think it would be obvious that questions about railway policy might be answered more readily in the first instance by the management of the railways, and then possibly by the Minister of Transport—although he is not directly responsible for the policy of the Canadian National Railways. The persons responsible are the president and directors. Each year there is an opportunity to discuss those matters before the special committee. I realize such discussion is not always possible because all hon. members are not members of that committee. I should think if anything were needed to illustrate the fallacy of entrusting all functions of the house to committees, this might be one instance. I am afraid I have not the information asked. I am not qualified to answer detailed questions as to the policy of the Canadian National Railways.

Mr. Black (Cumberland): I disagree with the minister to this extent, that when he comes to the House of Commons asking for an appropriation running into many millions of dollars, hon. members are entitled to know the purposes for which the borrowing will be made, and to what use it will be applied.

Mr. Abbott: That information is set out in section 2 of the bill.

Mr. Gillis: I was a member of the special committee, and the matter to which the hon. member for Cumberland has referred was thoroughly discussed before it. Indeed, it was the first time since I have been a member that I have noted a realistic approach to the problem made by any official in any department.

The present chairman of the Canadian National Railways, referring to this question of the use of maritime coal, did tell the committee that in a survey they have made they have set out what is now known as an economic area for the use of Canadian coal so far as the Canadian National Railways are concerned. He told us that as it relates to the maritime provinces that economic area is from Sydney, Nova Scotia to Coteau, Quebec. Their experience this year in seeking to secure coal from the operators in Nova Scotia was that they could not supply that coal within a million tons. This was an abnormal year because of the depletion of stockpiles.

This matter was discussed at some length in the committee, and I am satisfied that the present policy of the Canadian National is to use Canadian coal wherever practicable. It is practicable to use Canadian coal economically in the areas Mr. Gordon set out

before the committee. I am convinced that in the marketing of Canadian coal as much fault lies with the operator as with the Canadian National Railways. It is largely a matter of price. I am satisfied also that if the mechanics outlined by the chairman of the Canadian National in relation to the purchase of Canadian coal are followed out in the future it will be found that there is an economic market for Nova Scotia coal.

I was a member of that committee, and since it met I have discussed this matter publicly and have broadcast on it. I am going to continue to urge the use of as much Nova Scotia coal as is possible and economical in that area set out by the Canadian National president. I rose to make these few remarks because I know the matter was thoroughly discussed in the committee. I am satisfied with the attitude taken by the Canadian National, but I am not satisfied with the attitude of the operators.

Mr. Adamson: Does the minister know what percentage of this equipment will be made in Canada, and what the Canadian content will be?

Mr. Abbott: I am informed that it is all to be made here. As with other machinery and equipment, there will be a substantial import content in connection with certain items.

Mr. Adamson: What is the situation with regard to the manufacture in Canada of this type of equipment? I am referring particularly to diesels, turbine engines and modern tractor cars.

Mr. Abbott: I would not want to be held to this, but I am told that the import content is 20 to 25 per cent. Diesel locomotives are now being made by Montreal Locomotive Works, and will shortly be made by General Motors Diesel Company in Ontario. I have not at hand any specific information as to the exact import content, but I think it must necessarily vary according to the type of equipment.

Section agreed to.

Sections 3 and 4 agreed to.

Section 5—*Power to aid other companies.*

Mr. Macdonnell (Greenwood): I should like the minister to explain the wording in the first three lines of this section, which is as follows:

> The national company may aid and assist, in any manner not inconsistent with the terms of section 2, any other or others of the said companies and railways.

Is that a roundabout way of saying that all the railways in the national railway system, which is the phrase used in section 2, may be assisted? It seems to me a rather odd and not very clear way of expressing it.

Mr. Abbott: I never gave consideration to it until my hon. friend raised the point. I am told that this is the identical language which has been used in successive bills for a number of years. It would seem to indicate that the Canadian National Railways may assist its subsidiary companies by virtue of the provisions of this bill, provided that such assistance does not contravene the provisions of section 2, which is the section giving authorization to issue securities.

Mr. Fraser: Would that take in Trans-Canada Air Lines?

Mr. Abbott: No. I am informed that T.C.A. is financed out of the $25 million initial capital, and I am informed also—my colleague the Minister of Trade and Commerce will correct me if I am wrong—that capital requirements up to the present time have been financed out of depreciation reserves. I indicated a moment ago that if further capital were required it would require an amendment to the T.C.A. Act.

Mr. Fraser: But if they required running expenses, could they take that from the Canadian National?

Mr. Abbott: No.

Mr. Fraser: Are you sure of that?

Mr. Abbott: I am sorry; I did not quite catch my hon. friend's question.

Mr. Fraser: The minister mentioned that the T.C.A. could not get any capital from the C.N.R., but could the T.C.A. get operating expenses?

Mr. Abbott: It would be subject to a special vote to cover any deficit, in the same way as with the Canadian National.

Mr. Macdonnell (Greenwood): We are voting large sums of money, and the minister has told us on several occasions, very frankly I admit, that he just does not know the details of what we are asking for.

Mr. Abbott: I must take exception to that remark. I know the details of the items for which the money is being asked, but I do not know the details of the operations of the Canadian National Railways. I suggest that that is not relevant to the bill we are considering at this time.

Mr. Macdonnell (Greenwood): I wish the minister would let me finish. On a number of occasions when we asked the Minister of

Transport for information he told us that they were matters for the finance department. This morning we are asking questions and we are told that they are matters for the transport department. The Minister of Trade and Commerce has kindly helped us over one or two jumps. I want to point out, as the hon. member for Cumberland has said, that we are being hampered here because the other member of the team is not present. Previously he has referred us to the Minister of Finance in a general way. I am not suggesting that the Minister of Finance needs to know all the details, but I am suggesting that he should know the details of what we are asking for.

Mr. Abbott: I am prepared to answer any relevant question on every section of the bill now before the committee, but I am not prepared, nor am I qualified, to answer questions dealing with the general operations of the Canadian National Railways or Trans-Canada Air Lines. I suggest respectfully that this is not the time to ask those questions. If any information is wanted on the particular sections of this bill I am prepared to give it. If I have not the answer today, I will get it. But so far a number of questions have not been directed to these particular sections.

Mr. Macdonnell (Greenwood): I am sorry to go back—

Mr. Abbott: I do not even know the section we are on at the moment.

Mr. Macdonnell (Greenwood): The questions I asked were with regard to depreciation and amortization, and I suggest that they are relevant.

Mr. Abbott: And I promised to get the information.

Mr. Macdonnell (Greenwood): I am content with that. I think we must be perfectly clear. We asked for information which we should be able to get now, and we let the section go through, whether wisely or unwisely I will not say. But that concession was made.

Section agreed to.

On section 6—*Guarantee.*

Mr. Adamson: There is $26 million to be financed by one or more equipment trust issues which I understand are guaranteed by the federal government without reservation. Will these be issued through a trust company and be payable in Canadian funds, or are we to borrow money from United States sources?

Mr. Abbott: The technique followed in connection with equipment trust certificates is well known to my hon. friend. This type of certificate originated some years ago in the United States and ordinarily would not be guaranteed by the dominion government. They are secured by a specific pledge, a charge on specific assets in favour of a trustee; and the lender on those securities relies upon the specific charge he has on the locomotives and rolling stock that may be specifically pledged to secure the loan. As my hon. friend knows, they are considered a fairly high grade type of security. As to whether they would be issued in Canadian or United States funds, that would depend upon the market in which it was proposed to buy the equipment. In this case my understanding is that these equipment trust certificates are to be issued in Canadian funds.

Mr. Adamson: Then I gather that the method of repayment is that for each ton mile or each traction mile travelled by the locomotive, a certain amount is amortized or written off for the payment of the equipment trust certificate; in other words, it is a self-liquidating form of security. What is the practice now with these securities; for how long do they run?

Mr. Abbott: I am afraid I did not inform myself as to that. I can get the information very quickly, perhaps before the committee rises.

Mr. Adamson: I think it would be interesting. I just want to know the term, and the method of repayment.

Mr. Abbott: I shall be glad to get that information.

Mr. Adamson: This was brought up in the committee, where quite a long discussion took place with Mr. Gordon and with the comptroller of the Canadian National.

Section agreed to.

Sections 7 and 8 agreed to.

On section 9—*When revenue of national railway system insufficient to meet operating and income charges.*

Mr. Knowles: This is the clause giving authority to vote money to meet so-called deficits in connection with current revenues. Before proceeding with what I rose to say may I make it clear that I support this bill, and I do so for two reasons. On the one hand I feel that the Canadian National is encumbered with a capital structure that makes these deficits inevitable, and therefore we have no option but to meet them. The other point is that the Canadian National, as the national railway, is called upon to give service in a good many parts of the country where it is not a profit-making operation.

Since we call upon the Canadian National to do that, we have no alternative but to pay any deficits that arise therefrom. However, when parliament is called upon to vote these sums of money, or to give authority to vote them, as is the case under section 9, it does seem to me that our questions as to the ways in which the money is spent should be answered in parliament.

I have in mind a great many questions I have asked about pensions, special allowances in lieu of pensions, and special lump sum allowances to employees of the Canadian National. In all cases but one my questions have been answered. I am grateful for the extensive information I have been given in relation to this matter. It makes it possible for me to point out the large number of Canadian National employees in receipt of pensions that are far too low, concerning which the Canadian National should do something soon. But it does seem farcical that the authorities should be prepared to answer one after another all the questions to which I shall make reference in a moment, and then give a blank with respect to one particular question.

Let me give a small amount of detail. On March 22 of this year, as reported at page 997 of *Hansard*, I was given specific details as to the number of employees contributing to various plans, and more particularly as to the number of retired employees drawing pensions in the brackets I indicated in my question, starting with less than $25 per month and going right up to $99.99 per month. The number in the lower brackets is really startling. In addition I asked for the number drawing pensions of $100 or more per month, and I was given the figure of 9,855. Later, on April 24, as recorded at page 1806 of *Hansard*, I was given a breakdown of those drawing pensions of more than $100 per month. I asked for them in various brackets going right up to $499.99 per month, and also the number drawing pensions of $500 or more per month. In all cases my questions were answered without hesitation. In the same set of questions on April 24 I went on to ask the number of retired employees in receipt of retirement allowances, including pensions from any pension plans plus supplementary allowances totalling various amounts, starting with $100 per month and going up to $500 per month or over, and again I was given the information. I find there are only eight people drawing regular pensions which include allowances supplementary to whatever pensions they may have earned. Those eight include four in the bracket between $100 and $200 per month, three in the bracket between $200 and $300 per month, and one in the bracket between $400 and $500 per month. In those cases, of course, what I was asking about had to do with regular pension payments which are received month by month or quarter by quarter, as the case may be.

I emphasize that up to this point there was no difficulty. Whatever questions I asked about pensions or special allowances were answered just as soon as the government could get the information from the Canadian National Railways. Then I moved along and on May 15, as recorded at page 2517 of *Hansard*, I asked further questions about special retirement allowances. In particular I asked this question:

> How many employees or officials of the Canadian National Railways, upon retirement, have been given lump sum retirement allowances (a) of $5,000 or less; (b) more than $5,000 but not more than $25,000, since January 1, 1930?

The answer to those questions was "none". I believe that is a correct answer; I am told there have been no lump sum retirement allowances in those amounts. The main point is that I got an answer. That information was given me in addition to all the detailed information I have referred to at these various pages of *Hansard* as to pensions and regular supplementary allowances paid to various retired employees. Well, it seemed to me only logical, since I was given all that information, that I should go a step higher.

The Deputy Chairman: Order. How does the hon. member relate all this to section 9?

Mr. Knowles: I thought I had related it in the beginning. My point is that in section 9 we are giving the authority to vote money to the Canadian National Railways to meet current deficits.

Mr. Abbott: To make advances; loans.

Mr. Knowles: To make advances; but read the last few lines of the section, which provide that these advances are to be paid back to the government out of revenues of the company, except for any insufficiency—

Mr. Abbott: Or out of a vote of this house.

Mr. Knowles: —which is to be made up by a vote of this house. My point is that this is the authority for us to vote money to meet deficits.

Mr. Abbott: My hon. friend should be corrected on that. This is not the authority to vote money for deficits. That is done in another place, by an item in the estimates. This is the authority to make temporary advances out of the consolidated revenue fund to cover operating deficits.

Mr. Knowles: But it also says:

> Provided that all such amounts shall be reimbursed to the Minister of Finance from the annual

revenues of the national railway system in so far as such revenues are sufficient and any insufficiency shall be provided for by subsequent deficit appropriation by parliament.

Now, perhaps we are talking about the same thing but in different language.

Mr. Abbott: My only reason for interjecting is that I have noticed the press has taken this bill as covering the annual deficit of the Canadian National Railways. I am sure that is unintentional, but it is misleading. This is an annual bill to provide for advances to Canadian National Railways. The deficit, if any, has to be voted here each year, and the practice has been to bring it forward in the supplementary estimates each year.

Mr. Knowles: But whether it is out of advances or money subsequently voted by parliament, it is some of that money that has to be used to pay these special supplementary allowances, and special retirement allowances which are paid to certain employees over and above whatever pension rights they may have earned or paid for. My contention is that if we are called upon to provide money, either as advances under this section or later by a special vote, basing my request upon this section, we should be given that information.

The point I am trying to make, is that not only is there the argument I have just expressed, but in addition there is the fact that the government readily gives all this other information relating to pensions, supplementary allowances, and retiring allowances. But when they are asked how many lump sum retirement allowances of more than $25,000 but less than $50,000 were paid, and how many above $50,000, they refuse to give any information. The Minister of Transport made a statement which occupies almost half a column in *Hansard*, the gist of which is that he will not answer my question. I think it is wrong to ask us to vote public money for these various purposes, and then not give us information as to how it is expended. If they had refused us all information about pensions and supplementary allowances or retirement allowances, I would still kick; but at least there would be some consistency on the part of the government in making a refusal across the board. But they give us all the information I have indicated, and refuse to answer only that one question.

Mr. Fraser: They tell us about the small fish but not the big ones.

Mr. Knowles: No, they give a good bit of information about the big fish. They tell us about people who are drawing a pension of $400 or $500 per month or over, and they say that there have been no special lump sum payments below $25,000. But so far as payments above that amount are concerned, they refuse to give us the information. I do not thing it is fair to parliament to ask us to make these advances or to vote money later, and then refuse us this information.

I want to say again—since I see some support coming from my friends to the right, and I welcome that support even though they may not agree with me in favouring the bill itself—that I support this measure for the two reasons I indicated at the start, and the fact I do support it should give me that much more right to insist that the information I have requested be given.

Mr. Drew: Mr. Chairman, I must confess I am a little interested to know how the member for Winnipeg North Centre could anticipate our views, and I am wholly unaware of the differences in his mind with regard to some of the aspects of this matter. Be that as it may, I do not think the minister has correctly interpreted this section. I do not believe he has intentionally misled the house, but there are features of it which he has overlooked.

This section provides that the government may make the advances required by Canadian National Railways, and then the last part of the section provides that all such amounts shall be reimbursed to the Minister of Finance from the annual revenues of the national railway system, in so far as such revenues are sufficient, and any insufficiency shall be provided for by a subsequent deficit appropriation by parliament. I am not arguing one way or the other as to the desirability of providing for the money in this way, but I do want to emphasize what the effect is. May I say, in regard to a remark which I heard at the time the member for Winnipeg North Centre was speaking, that we are taking up a lot of time on this bill, that we are dealing with something here that is likely to involve over $40 million. I think the members of this house should know exactly what they are doing.

As to whether that amount should or should not be provided, I do not think there is going to be any debate. Certainly the amount that will be contributed by this parliament subsequently will include all items of expenditure, whatever they may be. This bill is not merely permissive legislation which allows the advance to be made, which advances then are to be reimbursed to such extent as they can be reimbursed out of revenues of the railway. It goes further, it says that any insufficiency shall be provided for by a subsequent deficit appropriation by parliament. It does not say "may"; consequently any subsequent discretionary authority of parliament is removed by the passing of this section in its present form.

The minister says that this is subsequently dealt with by a vote. He has overlooked the fact that parliament now decides that any deficit, whatever it may be, shall be paid. This becomes statutory authority for the figure approved by the auditors which is included in the subsequent vote. It is not only dealt with by parliament, but it is authorized by parliament in what is now done.

Mr. Abbott: My friend is perfectly right. I should have thought that was self-evident. The only purpose in putting this provision in the latter part of the section is that, instead of saying that such deficit shall be paid out of the consolidated revenue fund without bringing the matter before parliament, it will have to be done by a special vote. This section indicates that any deficit will be paid for out of public money, but the payment must be authorized by a subsequent vote. My recollection of the purpose in framing it this way is that each year there should be brought before parliament the details of the deficit, if any, of Canadian National Railways, and that parliament should be asked to vote on it specifically.

Mr. Knowles: What does the minister think of the point I was drawing to his attention, namely, that we get a considerable amount of information up to a certain point and then draw a blank?

Mr. Abbott: I am not going to express any view on that, because it has been discussed in the house on a number of occasions. We did have a vote on whether or not my hon. friend should get the information he requested, and the matter was decided. I am not going to traverse that ground again. My hon. friend is entitled to his view, and I am entitled to mine.

Mr. Macdonnell (Greenwood): Perhaps the Minister of Transport would feel differently if he were here this morning.

Mr. Abbott: He may, but I doubt it.

Mr. Knowles: Why not send for him?

Mr. Adamson: If the negotiations which are now under way with regard to wage rates of the employees of this railway do result, and one hopes they will not result, in the deficit Mr. Gordon suggested of approximately $90 million, there will probably be a greater deficit than is anticipated in this bill, so I suppose a new item would have to be voted by parliament.

Mr. Abbott: Mr. Chairman, there is no deficit specifically contemplated in this particular section we are now considering. As the leader of the opposition has pointed out, it refers to a net deficit in operating revenue, and that deficit will have to be voted in accordance with the terms of this section as a special item. This bill does not contemplate a deficit of necessity, but it authorizes the advance of money to the Canadian National Railways to meet such deficit if it occurs. The extent of the deficit is of course not determined until the year has been closed and the auditors have completed their report. Then, and then only, is a final item brought in in the supplementary estimates establishing the amount of the deficit.

While I am on my feet, perhaps I might answer the question of another member about equipment trust issues. The most recent issue is dated March 15, 1950, for $22 million. It was for ten years and carried an interest rate of 2¼ per cent.

Mr. Macdonnell (Greenwood): What funds?

Mr. Abbott: Canadian funds, I believe, but I have not that detail.

Mr. Adamson: Through whom was it negotiated?

Mr. Abbott: I am afraid I have not that detail. That was a note that was sent to me. I have not that detailed information here, but of course it is readily available.

Mr. Adamson: I assume it was negotiated through Canadian trust companies.

Mr. Abbott: Presumably.

Mr. Adamson: Or security houses.

Mr. Abbott: The issue presumably would be sold through the usual channels, and the trustee would be a trust company.

Mr. Fraser: When we were talking before, the minister said that any advances to T.C.A. would have to be voted.

Mr. Abbott: That is under the next section. Can we deal with that matter under section 10?

Mr. Fraser: May I speak on it now?

Mr. Abbott: Perhaps we could finish section 9, Mr. Chairman.

The Deputy Chairman: Is the committee ready to carry clause 9?

Mr. Gillis: No. I do not like the idea of referring to this bill as one that is designed to wipe off a deficit of the Canadian National Railways. That is absolutely wrong.

Mr. Abbott: The hon. member is right.

Mr. Gillis: Because last year the Canadian National Railways had an operating profit of over $2 million, did they not?

Mr. Abbott: Not after fixed charges.

Mr. Gillis: That is just the point.

Mr. Knowles: That is the whole point.

Mr. Abbott: I know.

Mr. Gillis: The Canadian National Railways start off each year with the deficit you are now talking about. It is a fixed interest charge on old defunct railroads that should have been put into liquidation. In the second place, $21 million a year is paid back by the Canadian National to the Canadian government, in interest on loans that they make for refinancing purpose. The assertion that the government for beneficent reasons each year pays the deficit that accumulates to the Canadian National is wrong and misleading. I like to be fair and honest about these things. The Canadian National had no deficit last year. You are not wiping out a deficit. You are paying interest charges of $24 million a year on bonds of old defunct railroads that produce no revenue. You can perhaps justify that because they are performing some service in communities where the C.P.R. would not operate. That $21 million interest earned by the money that we vote in this house goes back to the Canadian government in fixed interest charges. I think we should be clear about the fact that the railroad is not operating at a deficit.

I do not want to discuss this matter at length. It is before a commission now. The C. N. R. president is emphatic about a revision of the whole capital structure of the Canadian National Railways. I do not like to hear the Minister of Finance referring to this bill as one that is designed to wipe off a deficit of the Canadian National Railways.

Mr. Abbott: He did not.

Mr. Gillis: Because they did not have a deficit. They inherited the mess they have, and I hope that Mr. Gordon will get the co-operation of the members of this house in cleaning up that historic mess which they inherited and for which they are not responsible.

Mr. Abbott: I thank my hon. friend for trying to clear up a point that I had tried to clear up, namely, that this is not a bill to cover operating deficits of the Canadian National Railways. It is a bill to authorize advances to Canadian National Railways, first, for an approved capital program, second, if needed, to authorize temporary advances to cover an operating deficit. That is all the bill is for. I do not suppose the committee expects me at this time to enter into a discussion of recapitalization, if that is desirable, of the Canadian National Railways.

It is a question which is an extremely involved one, as the committee knows, entailing a great many considerations. I really would not want to embark on that discussion at this time.

Mr. Fraser: You could not explain it before lunch.

Mr. Macdonnell (Greenwood): I should like to make one comment. I think we all agree that there is a question of first-class importance here, that is to say, what burden should be carried by the management of the Canadian National Railways. On the one hand it is obviously unfair that they should be saddled with a deficit or a burden from the past which really makes their operating position impossible for the future. On the other hand, certain relief has been given in the past.

I think the matter is before a commission now and it seems to me that it is a matter which is going to require great judgment and discernment. Actually the idea that the Canadian National Railways operating position is greatly worse than that of other railways does not stand the test if you compare it with that of some perfectly good railways in the United States. I say that for this reason: I am sympathetic to the management of the Canadian National Railways, but on the other hand I think discretion must be shown in dealing with this question.

I want to ask the minister a question with regard to the wording at the beginning of clause 9. I will ask him to follow it with me as I read slowly the first three lines, because they seem to me to present a rather curious result.

Has the minister the wording of clause 9 before him?

Mr. Abbott: Yes.

Mr. Macdonnell (Greenwood): The first three lines read as follows:

> If at any time before the first day of July, nineteen hundred and fifty-one, the available revenues of the national railway system are not sufficient to pay all the operating and income charges of the system . . .

And so on. The next section I think makes perfectly clear what I think is obvious, that it is the annual revenue that is referred to there; that is to say, it is the revenue for 1950. Does the minister agree with that?

Mr. Abbott: Quite right.

Mr. Macdonnell (Greenwood): Then what is the reason for the time lag? Does the minister agree that, as it is worded now, if you take it alone, if anyone came along, not knowing anything about the background of this matter, I am not at all sure that he would read the words "the available revenues of the national railway system" as meaning only for the year 1950.

Mr. Abbott: I am glad my hon. friend raised that question. The purpose of that wording is this. In previous bills the date has been March 31 of the current year. The committee will realize that because the sessional committee rarely sits before March or April, it is not possible to bring this bill in until usually the end of May, or sometimes late in June. It thereby becomes effective for a period of only eight or nine months if March 31 is used. Therefore the date of July 1 was used, in order to give the legislation, so far as may be practicable, a full twelve months operation. That is the explanation. That applies only to the current advances; of course the July 1, 1951, does not relate to the capital advances referred to in subsection 2.

Mr. Macdonnell (Greenwood): Does the minister agree that the words "the available revenues of the national railway system," in order to be perfectly clear should be followed by the words "during the year 1950"?

Mr. Abbott: This is enabling power. If the C.N.R., on the current basis, is short of cash to pay its operating charges at a given point, whether it is in the middle of the year or at any other time, then this section operates and the government makes temporary advances. And once a year, as I have indicated and as the leader of the opposition has underlined, we come to parliament and get a specific vote for the deficit in the particular year. But the moneys are advanced, if necessary, from month to month out of the consolidated revenue fund.

Mr. Macdonnell (Greenwood): Let us assume that in the first months of the year, say in 1950, the Canadian National Railways had an operating deficit—if I may use that unpleasant expression—of $25 million. Let us assume for the sake of argument that in the first three months of the year 1951 they had a tremendous run of luck and had an operating surplus of $25 million. Would they use that to cancel out the deficit of the year before? In other words, are we merging the two years in the matter of accounting?

Mr. Abbott: No, we are not merging the two years in the matter of accounting. Perhaps I could illustrate the matter in this way. Suppose in the month of May, 1951, by reason of operating conditions, the Canadian National Railways were running a substantial revenue deficit and needed money. The only way they could get it would be to borrow from the government. The date that is put in this section is to enable such advances to be made. My hon. friend will recall that last year I suggested, because it seemed to me to be more sensible, an open-ended period, subject to the requirements of the deficit that had to be voted. That did not commend itself to the views of the committee. I do not quarrel with that; but what I have been trying to do is to provide a period of approximately twelve months during which this section will be operative. There is no intention to merge, nor do I consider that the language of the section permits any merging of, the accounts of the railways over two periods.

Mr. Adamson: Does this bill not merely set up a sort of letter of credit for the railways on which they can draw until the vote is made in the next session of parliament?

Mr. Abbott: Subject to the approval of the Minister of Transport and the governor in council, that is correct.

Section agreed to.

On section 10—*When revenue of Trans-Canada Air Lines and subsidiaries insufficient to meet operating and income charges.*

Mr. Drew: Clause 10 is the one which provides for the advances of money to Trans-Canada Air Lines and the subsequent appropriation by parliament of any deficit which may result during the following year.

As I pointed out in connection with the previous clause, which relates to the Canadian National Railways, this is not merely a provision which permits the government, with the authorization of parliament, to advance moneys to the Canadian National Railways as they are required for their operation; it also establishes, as a decision of this parliament at this time, that whatever the deficiency may be as a result of these operations parliament shall—not "may"—by subsequent deficit appropriation meet that amount. Since that is so, this is an appropriate point at which to examine the whole situation with which we are confronted, and to indicate that every step should be taken to make that deficit as small as possible by every practical device that can be adopted.

While this is a bill presented by the Minister of Finance, it is presented through him on behalf of the government to deal with these governmental operations. Since the government is responsible for the broad problem, that problem should be examined in relation to the authorization now given, so that any considerations affecting steps that may be taken by the government between now and the next session to reduce to the ultimate deficit may be placed before parliament and the government at this time.

I think it is time—in fact the time is overdue—for parliament to review carefully the events that have taken place in connection with the Trans-Canada Air Lines. I hope that in making the comments I do we shall

not be confronted with the specious suggestion that an attempt to approach the problems of Trans-Canada Air Lines on a businesslike basis implies criticism of the line or of those who operate it. That device has been employed too often in an attempt to divert discussion which should be directed to the operation of many of these great enterprises, which can carry on only with the approval of parliament, and which parliament should certainly examine most carefully.

I think it would be well, when we remember that Trans-Canada Air Lines had by far the largest deficit in its history during this past year, to review the basis upon which parliament approved the setting up of this line. In introducing and discussing on March 22, 1937, the bill dealing with this organization, the present Minister of Trade and Commerce had this to say, as recorded at page 2043 of *Hansard* of that year:

> It is thought that from the start the mail contract and such passenger and express business as is immediately available should cover the cost of the services. We have made provision, however, for a subsidy to protect the service in that period. After 1940, as I have said, the subsidy provision expires and the mail contract will be on the basis of cost of the service. I think that outlines fairly well the intention of the bill. The whole matter can be more fully considered when the bill is brought down.

These words are simple, understandable, and not open to any misinterpretation. This operation was to maintain itself from its revenues, and after—

The Deputy Chairman: Order. I am sorry to interrupt the leader of opposition. Does he think that on this clause he can go into the history of Trans-Canada Air Lines and explain why such deficits have to be met now? It seems to me that on clause 10, to be strictly relevant, what should be discussed is whether or not the deficit is to be met in the manner indicated in clause 10; there should not be any explanation of deficits. I should like to hear the leader of the opposition on that point.

Mr. Drew: Yes, I think it is strictly relevant to the provisions of this section. Parliament is being asked to provide the money required for the operation of this line. This house is asked to approve a section which says that any deficit resulting at the end of the year shall be met by parliamentary appropriation. What I am pointing out is that it is desirable to review the situation so that when the government is dealing with this subject, provided that the house authorizes this, as there is every indication it will, the authorization shall be accompanied with proposed suggestions which they should consider to the end that the deficit may be reduced as much as possible. I am simply reviewing the situation which has developed from that point to the present for the purpose of indicating things that could and should be done so that this deficit may be as small as possible. There is no other place that I am aware of where proper consideration could be given to these points.

In *Hansard* of June 24, 1940, we find on page 1050 of the budget the following item under Trans-Canada Air Lines:

> The operation of the Trans-Canada Air Lines expanded greatly during the calendar year 1939. Operating revenue increased from $591,000 to $2,350,000. The annual deficit, after payment of interest on capital and depreciation, decreased from $818,000 in 1938 to $412,000 in 1939.

That seemed to be in accord with the general pattern that had been projected by the minister who proposed this bill. In 1941, as reported at page 1743 of *Hansard* of March 20, the Minister of Trade and Commerce had this to say:

> Last year the earnings of the air lines, after all write-offs and interest on investment, were something over $500,000. This year it is anticipated that the earnings from air mail based on the increased mileage and the 40-cent rate will be $3,153,000. The passenger revenue will be $2,170,000. Miscellaneous revenue, comprised chiefly of express, will amount to $250,000, giving a total gross revenue of $5,573,500. Operating expenses are anticipated to be $5,315,477, giving an operating income of $258,032, less interest on capital, and other income charges, of $197,500. That leaves us with an estimated surplus of $60,523.

Actually in the years that followed a surplus was built up. Therefore up to that point the pattern that had been projected by the Minister of Trade and Commerce was being followed. Then the pattern changed. We have had a succession of deficits which first of all wiped out the accumulated surplus, and last year reached $4,317,593. I submit that when the House of Commons is asked to pass a section authorizing advances to any of the public bodies brought into existence by the parliament of Canada it is appropriate to examine the assurances given at the time and to see whether we have or have not departed from that basis. If we have, then we should find out what can be done to limit the deficit which, by this very section, parliament now says will be met by a subsequent parliamentary appropriation.

This subject was before the parliamentary committee on railways and shipping. That committee has tabled its report. The findings of the committee are before the house. I would point out to hon. members that the report of the committee does not represent the unanimous opinion of the members thereof, and that other proposals which were not incorporated in the report were made in the committee. Since those proposals are not before us today I submit it is appropriate that they should now be placed before this committee and the government, so that when

we are considering a provision which says that the deficits shall be paid, we may at the same time suggest what should be done to limit such deficits to the lowest possible figure.

In addition to the recommendations contained in the report of the committee on railways and shipping on May 11, 1950, the following addition had been moved as an amendment to the report:

Your committee recommends that a uniform system should be adopted for the presentation of the accounts of the Canadian National Railways and Trans-Canada Air Lines, and that the consolidated balance sheet should show the accumulated surplus or deficit position in each case.

The vote taken on that occasion, may I add, was not one supported merely by members of the party to which I belong. However, the amendment was defeated by the close vote of eight to six.

Then another amendment was moved, suggesting that the following be added to the report:

Your committee recommends that an accounting system should be adopted which will make it possible to determine the profit or loss on each operating route.

On that motion the vote was even, seven to seven, with the chairman casting the deciding vote against the motion.

A further amendment was presented which proposed this as an addition to the report:

That the possibility of improvement in operating costs of Trans-Canada Air Lines be fully explored.

That was voted down. A further amendment was offered, that the following be added to the report:

That it is desirable to consider whether Trans-Canada Air Lines should be under the authority of the same minister as the Canadian National Railways, and also that the same minister who is responsible for the administration of the Aeronautics Act should have ministerial responsibility for Trans-Canada Air Lines.

That also was voted down, and, as in other cases I have mentioned, the amendment was supported not only by members of one party.

These motions, made for the purpose of adding these recommendations to the report of the committee which has been tabled, were directed to the one sound purpose in financial affairs, to giving parliament an opportunity to examine in a businesslike way this whole proposition so that, while Trans-Canada Air Lines might operate in the most efficient manner possible, steps should be taken, as they are taken in every large business, to examine its internal financial structure as well as its operating methods for the purpose of effecting any economies which might be made.

Strangely enough, when it is suggested that there be economies in the operation of government enterprises, all too often we are met with the suggestion that an attempt is being made to limit the services rendered. The fact is that in any big business the services rendered are almost invariably increased by an examination such as that proposed in this instance. In fact it is the history of business that almost invariably where sensible and cautious steps of this kind are not taken, instead of expanding, the business will decrease in the extent of its operation, and ultimately, if that condition continues long enough without any effective internal examination of the kind here suggested, it will disappear.

When parliament takes the responsibility for setting up great publicly-owned enterprises it should be its responsibility also to require businesslike methods in dealing with them, so that the operations of such enterprises will be not only as efficient as they can be in the interests of the public, but also so that every practical economy may be practised to the end that, if possible, such economies may increase the general efficiency of the system in providing the service it purports to provide.

These proposals clearly reflect what was under consideration. The first part of the recommendation was that the report should contain a request that a uniform system should be adopted for the presentation of the accounts of Canadian National Railways and Trans-Canada Air Lines, and that the consolidated balance sheet should show the accumulated surplus or deficit position in each case. That proposal was made because the Trans-Canada Air Lines is a wholly-owned subsidiary of Canadian National Railways, and yet there is no uniform system of presenting accounts. In the examination of the accounts of the parent organization and of the subsidiary organization certain differences appear which do not make it as easy as it should be to examine the comparative statements.

It is desirable that there should be shown the accumulated surplus or deficit position. The reason for that is obvious, as those who sat on the committee will recall. I do not suggest that the accumulated deficit should become an additional part of the capital obligation, but it should be shown in the statement below the balance sheet so that those who examine the annual statement will know what the present position is as it has accumulated over the years.

When there were surpluses, those surpluses did accumulate and were carried in the annual statement. As those surpluses were exhausted by deficits, there should have

been carried forward a figure which would show the deficits so that those who examined the statement each year would be in a position to see exactly what the results of the operation had been.

When the time comes, as we hope it will, when there will be surpluses, it would not present an accurate picture of the long-term operation if the statement simply started in with a surplus and then the statements in future years showed the accumulation of surpluses. That would not represent the true operating position of the lines. One may ask: Why have these figures in there? They should be in there for the same reason that you have figures in the statement of any great operation of this kind which is owned by those who have invested their money in the ordinary way.

An hon. Member: Carried.

Mr. Drew: Mr. Chairman, it is extremely interesting to note the measure of impatience that is shown after a discussion of ten minutes of an item that last year involved the expenditure of public money to the amount of $4,317,000 and will likely involve the expenditure of a very substantial amount of public money during the coming year. I think it shows an extraordinary disregard of the responsibility of parliament for any hon. member to indicate impatience when we are examining a subject of this importance, one which has not been discussed previously at any time during the present session.

The next resolution that was presented was that an accounting system should be adopted which would make it possible to determine the profit or loss on each operating route. At the present time it is not possible for anyone examining the statement of the air lines to tell whether a particular route is making or losing money. Not only is it not possible to tell that from the statements; it was not possible to obtain that information by questions in the committee itself.

Surely if this parliament is to assume responsibility for giving a blank cheque to the government—the government can pay this money only with the authority of parliament—then, in this case as in other cases, parliament should be able to examine the results of the operation of each particular route, whether it be an air line, a railway, a shipping service, or any other similar activity of an organization created by parliament.

The inability to obtain this information is further evidence of the extent to which these operations are removed from the knowledge of the people's representatives once parliament takes the responsibility for creating them by an act of this representative body. These facts should be brought back to parliament so that parliament itself can say what should or should not be done in regard to these great enterprises, which in this case as in other cases are calling for money from the Canadian taxpayers with which to carry on their services.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

The Deputy Chairman: Before we continue with the study of Bill No. 310 I should like to make a statement arising out of an incident which occurred on June 9 last, while the house was in committee of supply. At the time we were discussing item 202, of the Department of National Defence, and in the course of the discussion the hon. member for Calgary East was called to order. In the Montreal *Standard* of the next day, June 10, on page 12, appeared an article by British United Press, as follows:

> P.C. criticizes ruling barring Shakespeare
>
> Douglas Harkness, Calgary opposition M.P., complained today that parliamentary debate was becoming so genteel that it was no longer proper to quote some sections of Shakespeare's plays in Commons.
>
> Harkness was ruled out of order by house committee chairman L. R. Beaudoin last night when he attempted to quote from King Lear.

After I saw this article I spoke to the gentleman of the British United Press who was responsible for it, who told me he did not want to give the impression that the hon. member had been called to order because he was quoting Shakespeare. Therefore I let the matter drop. However, on the editorial page of the Ottawa *Journal* of Saturday, June 17, there was an article headed "To this we have come," which read:

> Last week in the House of Commons committee chairman L. R. Beaudoin ruled Shakespeare "out of order"; out of order at any rate if he was to be quoted against a Liberal backbencher.
>
> That is what parliament has come to. Once a former prime minister could speak memorably on "the greatest Englishman," and the speeches of a Wilfrid Laurier could be sprinkled with Shakespeare and the bible. Today a quotation from the bible is as rare in the house as a passage in Latin—and Shakespeare is out of order.

The article continues in the same vein. I imagine the record, as it appears in *Hansard* at pages 3458 and 3459, should speak for itself. As all hon. members know, literary authorities are quoted frequently, and hon. members are not declared out of order because they quote a literary authority or the bible. They are called to order when their remarks are not relevant to the item under

discussion, if we are discussing an item in supply. That is exactly what happened in this instance, and the record speaks for itself.

Mr. Drew: Mr. Chairman, I thought we were getting closer on various occasions recently to quotations from Chaucer than from Shakespeare; but I feel sure hon. members will agree that there was no such arbitrary ruling in the particular case referred to.

When we rose I was pointing out certain matters which had been under consideration in the committee and which it seemed to a number of us who supported motions to amend the report should have been given consideration in that report. I am suggesting they should be given every consideration between now and the time the government presents the item which will represent the deficit at the end of the year for Trans-Canada Air Lines. I had been speaking particularly about the desirability of following ordinary business practices in examining the affairs of Trans-Canada Air Lines, and of having all the details of its operation fully available to those responsible for the voting of money. That money is not voted by the government; it is voted by parliament, and parliament should know what are the facts and should be able to express itself in regard to them.

In this instance it was clearly pointed out in the committee that an examination of the operation of individual routes might indicate not only the necessity for certain improvements in the methods followed in connection with those routes, but also the necessity for their extension; and it was contended that Trans-Canada Air Lines might well extend its operations outside Canada to a very much wider area, with advantage to the system and to the people of Canada generally. There was also a motion suggesting that the report should advocate consideration of an improvement in the operating costs of Trans-Canada Air Lines. That again is a simple business proposition, a request that should appeal to anyone who wants straight business methods to apply to the operation of this great public service or any other public service parliament has authorized and for which the government is responsible in its administrative capacity.

Then it was proposed that consideration should be given to the advisability of bringing the administrative direction of Trans-Canada Air Lines under the same minister who is responsible for the Canadian National Railways. It was pointed out that Trans-Canada Air Lines is a wholly owned subsidiary of the Canadian National Railways, and it therefore seemed unreasonable and in many ways impractical to have the administrative supervision of the parent organization under one minister and administrative responsibility for the wholly owned subsidiary under another. Without elaborating on those points, which it seems to me speak for themselves, I should like to deal with the suggestion that consideration should be given the possibility of improving operating costs of Trans-Canada Air Lines. Surely it is possible to make a simple business proposal such as that without the suggestion that there is any reflection on Trans-Canada Air Lines, or an attempt to limit its effectiveness or restrict its service. On the contrary, if the suggestion were acted upon it should be possible to extend the services of Trans-Canada Air Lines by operating an even wider service at a lower cost to the people of Canada.

I think this is the appropriate time to point out that this house has not been fully informed as to many things connected with the ordinary business of Trans-Canada Air Lines, and that in some cases where an attempt has been made to inform the house the facts were obscured in a way that led to a complete misunderstanding of the situation by many hon. members and by the public generally, who formed their impression from what was said in the house.

I recall to hon. members that last year there was an opportunity for this house to study an operating problem of Trans-Canada Air Lines. In that respect the suggestion was made, as an example, that the members of the house should know something of the difficulties that were being encountered because of engine failure of the North Stars. Immediately an attempt was made to create the impression that there was nothing in this suggestion; that it was something that had no place in this house; that it was something that was damaging to Trans-Canada Air Lines even to discuss. I have suggested on other occasions, and I certainly suggest again, that it is just as much the duty of the members of this house to examine the details of operation of that kind as it is their duty to consider the comparative advantages of diesel engines and steam engines, or the comparative advantages of engines of different manufacture, even if they are of the same type. After all, this is a straight business operation. Some lines have power units of different types, and one of the basic considerations in efficiency and cost of operation is the advantage or disadvantage of a particular type of power unit. Aircraft have power units, and it certainly is not merely the right but the duty of members of parliament, who are called upon to authorize this

operation by voting financial support, to examine all the essential information in regard to power units or any other aspect of the operation of this transportation service.

This is no sacred cow. This is no subject that is so sacrosanct the members of this house should not even discuss it. On the contrary, it should be a straight business proposition. If the members of this house believe there are certain details about which they should be informed, it is their duty to seek that information in this house from the responsible ministers and those who can give the information.

Last year when I said that certain difficulties were being encountered and that I for one was anxious to see what should be done, there was immediately the suggestion that this was an attempt to discredit Trans-Canada Air Lines. The suggestion that any difficulties were encountered because of engine failure was ridiculed; in fact it was implied that it was much less than an accurate statement—I am using an extremely mild expression when I put it in that way.

Let us see exactly what the facts were that came up for discussion, not in May or June for the first time, but in April while the house was in session. The remarks I made at that time had reference to my knowledge of the difficulties that were being encountered, and I felt it was my duty—I still think it was my duty as it is my duty now—to place all the information I could before the members of this house. It is their responsibility to say what they think should be done in relation to a service for which they must vote the money.

This was an order that was sent out as a flight operation bulletin on February 14 last year. I would remind the members of this house that the subject was under discussion in April of last year. These were the instructions that went to the flight captains of the North Stars on that date—I am reading now from the report of the flight director that was put in evidence in the committee by the officials of Trans-Canada Air Lines:

> Subject: North Star engines.
>
> We are concerned over an increase in the number of engine failures with North Star aircraft.
>
> The situation is being very vigorously campaigned by both the engine manufacturer and ourselves with a view to rectification. As a result, it is anticipated that major sources of trouble such as coolant loss, the SU pump, magnetos, and other items, will be greatly improved in the next two months.
>
> In the meantime, it is desired that you adopt a relatively conservative outlook with respect to flight on three engines, having in mind the weather, availability of usable airports on the route, etc.

That was signed by H. W. Seagrim, director of flight operations. The suggestion that that was something that it was improper to bring up indicates a complete misconception of the responsibility of members of parliament. May I say this also, that the suggestion—no, I shall go further; the vigorous statement that was made that this had seriously limited the number of passengers on the North Star, was simply not true. Evidence placed before the committee by officials of Trans-Canada Air Lines showed very clearly that from that particular date, far from the number of passengers decreasing, the number of passengers increased to the largest monthly total in the history of the air line.

I am going to place on the record at this point the comparative figures for the months from April to August of 1948 and 1949, to show exactly what happened in those two years. In April, 1948, there were 39,264 revenue passengers flown; in May, 45,636; June, 58,507; July, 55,794; August, 57,135. Now let us take the figure for the same months—

Mr. Howe: What about September and October? Have you got those?

Mr. Drew: Yes, and of course they go down, as was explained, because of the change in the service in those months. Every year they have gone down in those months in precisely the same way. Those months had nothing whatever to do with the discussion of this particular point. The statement that there had been a serious loss in passenger revenue was made in those months while the figures were going up.

I have given the figures for 1948, and I shall now give the figures for 1949.

Mr. Howe: Is that election campaign not finished yet?

Mr. Drew: Mr. Chairman, this is a question of getting before the members of this house for the first time the truth in regard to what actually did take place. At the time the attempt was made to bring the matter before the house it was denied, and the facts were not available. They have become available only within the past few weeks.

Let me give you the figures for 1949, for those same months, remembering that the month of April, while the house was still sitting, was the month in which this came up for discussion, and naturally it was carried by the press throughout the country. In April, 1949, the number of revenue passengers carried was 53,322, as compared with 39,264 in 1948; in May, 58,461, as compared with 45,636 in 1948; in June, 64,458, as compared with 58,507 in 1948; in July, 66,051 as compared with 55,794 in July, 1948; in August, 66,659 as compared with 57,135 in 1948.

What actually happened was that during those months following April, when this matter came up for discussion, there was a

steady increase to the largest figures for passengers carried in the whole history of Trans-Canada Air Lines.

Mr. Howe: Trans-Canada Air Lines changed the size of the planes in the meantime. You are talking about 40-passenger planes in 1949 as against 21-passenger planes in 1948.

Mr. Drew: I am afraid that the Minister of Trade and Commerce must have forgotten that they were talking about North Stars, and that they were never 21-passenger planes.

Mr. Howe: The North Stars did not come on the line until July 1, 1948.

Mr. Drew: The Minister of Trade and Commerce will continue to make his statements, but everyone here knows that the North Stars have been operating for some time. What I want to point out is this. We were told that there had been a serious drop, and I just ask you, Mr. Chairman, to see where the drop was: April last year 53,322; May, 58,461; June, 64,458; July, 66,051; August, 66,659.

An hon. Member: There is an increase.

Mr. Drew: Yes, there was a large increase every month, to the highest point in passengers carried in the history of the air lines. The statement that was made, seeking to hide the real facts, had no relation to reality, as the minister knows now, whether he was inaccurately informed at that time or not. Trans-Canada Air Lines did carry out investigations, as the director of flight operations said they were doing. As a result of those investigations there have been many improvements, and the situation has been greatly remedied. As a result of the investigations that have been made, they have improved a number of the features connected with the engines, but they have also discovered other things as well. This is the kind of thing that is an essential part of the understanding of the operation of this system.

On November 10, 1949, the same director of flight operations sent the following bulletin to every flight captain on the North Stars, and this represents the result of part of that inquiry:

Outlined below are certain amendments to the operating limitations and procedures for the Rolls Royce 622 and 624 engines to become effective immediately upon receipt of this bulletin.

1. "Full Hot" induction heat is to be used on take-off at ground outside air temperatures below 0 degrees C. This supersedes the present instructions on page 269 of the airplane operating manual specifying an outside air temperature of minus 10 degrees C.

2. The normal climb power settings will continue to be 2650 rpm and 48" hg. If, however, additional climb power is required the rpm's should immediately be increased to 2850. The manifold pressure with 2850 rpm may be set at 48" hg or any setting in between this figure and 58·4" hg, the latter to be considered maximum and to be used only when necessary to obtain aircraft performance under adverse conditions.

3. The maximum allowable cruise power is to be reduced from 1000 bhp to 900 bhp/engine.

4. Pending completion of bearing modifications to the rear engine case, it is desirable that operations be conducted within the M.S. range as much as practicable to avoid the higher bearing speeds in F.S. gear.

H. W. Seagrim,
Director of flight operations

That represented the very kind of examination of the situation which was called for and about which the members should know something in ordinary simple language. This last order was simply an order that the machines were to be operated at a medium speed instead of at a fast speed, in order to avoid burning out the roller bearings which were then being modified, and those modifications are proceeding. Those are the very things that are an essential part of any effective consideration of the power units of these machines.

These changes are being considered all the time. That was exactly what was in mind when it was suggested that the possibility of improvement in the operating costs of Trans-Canada Air Lines should be fully explored. At a time when this parliament is being asked to vote the money to make up whatever deficit will be called for this coming year, there certainly should be in the minds of the members the necessity for the full examination of every practical economy, every way of reducing operating costs, and every way of increasing efficiency.

A few minutes ago the minister, in regard to these items which are all business details, tried to create the impression that this is the rehashing of an old issue. It is a straight business operation, and these facts are available for the first time to the members of this committee, as a result of this inquiry. But it is of course true that the Minister of Trade and Commerce has a casual way of dealing with many of these things. It is for that very reason that hon. members should insist that there be a careful examination of all these items.

Let me give a typical example; and I quote from page 402 of the minutes and proceedings of the committee on railways and shipping. Certain aspects of this operation were under discussion, and the Minister of Trade and Commerce spoke about the way in which this service was building up. As reported at page 402, this is what took place:

Mr. Fulton: But that is not what you said last year.

Right Hon. Mr. Howe: Oh, I am not at all interested in what I said last year.

Mr. Fulton: But I am.

Right Hon. Mr. Howe: Then I will let you quote it and I will not worry about it.

Mr. Fulton: You are a responsible minister and I would be interested in your comments and remarks which you made last year, when you said: "I won't operate an air line very long which is in red ink."

Right Hon. Mr. Howe: But I did not specify what "very long" means. Perhaps it means two or three years. Perhaps it means another five years.

He might have gone on and said: Perhaps it means anything I like it to mean in the years ahead.

After all, this is a big business operation. The members of this committee have a right to rely on the statements that are made; and the statements that are made, as a matter of fact, are statements which should be subject to any reasonable explanation. In regard to other things we have had very touching statements about the complete confidence of certain members in any statement made by the Minister of Trade and Commerce. In discussing this matter it is therefore of interest that the minister sums up his own attitude in these words: "I am not at all interested in what I said last year".

In this particular case we should be interested in the basis on which this operation began. It was to be an operation that would maintain itself. It was to be an operation that would gradually work into a surplus position, and it did. That surplus has been used up. There are now substantial deficits, and that picture has changed. The members here have a right and a duty to know that every possible thing is being done to practise such economies as can be satisfactorily put into effect, and to meet every situation in exactly the same way as would be done by a sound business operation.

In the earlier part of the discussion of this bill the Minister of Finance said that he was not quite prepared to entrust all matters to parliament; and that may be—

Mr. Abbott: What?

Mr. Drew: Yes; he said that he was not quite prepared to entrust all matters to parliament.

Mr. Abbott: I do not recall using that phrase.

Mr. Drew: I think *Hansard* will show it quite clearly. I am not suggesting that there was anything improper in that. It was said at the time of the discussion of certain details about which the minister was not informed at the time. What we must recognize from all this is that there is certainly no intention of entrusting all matters to parliament in dealing with a subject of this kind, and that the committee by a majority, and a small majority in most of these cases, refused to make recommendations which would have brought before parliament an opportunity to say that this should be dealt with in a businesslike way. For that reason we have not these recommendations before us; and since there is no motion for the approval of the report, the matter stands there and apparently will stand there until the end of the session.

But this whole situation is one which surely suggests the desirability of bringing the operation of these two services under the same minister, whoever he may be, because there are officers of Canadian National Railways and Trans-Canada Air Lines holding similar positions in these two organizations. Therefore it seems to me that sound methods and practices would suggest that the administrative responsibility be in the same department.

This great organization, Mr. Chairman, is performing a fine service. Trans-Canada Air Lines have a magnificent record. They have a fine record of safety. We have the finest pilots, the finest aircrew and the finest ground crew to be found anywhere in the world. There is no reason why we should not see Canadian air lines extending to all the great airports of the world. But the way that that picture can become a reality, the way that our great pool of trained pilots and technicians can find the opportunity to expand these services is by applying the very highest business standards to the operation of this system and bringing before parliament the details which make it possible for parliament to understand the problem and to urge those things which will assist in the expansion and improvement of this great transportation service.

There is, however, this to remember. While we have not an opportunity of breaking down the point at which these deficits arise, presumably the carriage of freight and the carriage of mail are on a satisfactory basis. We were told that a higher figure was being asked for the carriage of mail, and it was believed that the amount now being received did actually take care of the costs. If that is so, then we should examine what this deficit means in terms of passengers.

The deficit last year was $4,317,593.16. The revenue passengers carried were 648,574. This means that the taxpayers of Canada paid $6.65 out of their pockets for every passenger carried on these air lines. That may be satisfactory; it may not. But these things should be considered in the knowledge of the facts; and as this house gives approval, it means not merely that there is permissive authority to place before the house an item for approval, but that this house shall by subsequent parliamentary vote take care of the deficit according to the terms of section 10. Therefore, Mr. Chairman, it seems to me that the most

we can do on this occasion is to believe that statements made a year ago as statements of fact are intended to be taken seriously; that statements we receive at any time are intended to be taken seriously, and, above all, that in the operation of this line between now and the end of the year the Minister of Finance will take such steps as he can—and after all, as the Minister of Finance he has a substantial measure of control over financial matters—to see that everything possible is done to give this system the advantage of an examination of its cost methods and other details which will put it in the very best possible position.

I would just like to tell hon. members that the committee did not have before it all the information which it should have had. Motions were made to bring before that committee the director of flight operations, the director of technical services, the deputy postmaster general, and others who could have talked on some of these details. By a majority supporting the government these requests were voted down, and therefore we did not have before us the men with the technical knowledge of the various problems. Nevertheless without that information we have the facts before us, and I hope that the Minister of Finance, even in the absence of any recommendations of this kind, will insist upon steps which would be insisted upon by any great business organization.

Mr. Howe: Mr. Chairman, on this bill which provides for the capital financing of the Canadian National Railways we have listened to a minority report of the committee on railways and shipping. My hon. friend is a member of that committee. If he wished to make that minority report he could very well have moved concurrence in the majority report. It seems to me that that would be the proper way—

Mr. Drew: You cannot do that.

Mr. Howe: I suggest that to accept as authoritative his remarks as to the findings of the committee which examined the operation of the T.C.A. would lead his listeners to a very wrong conclusion as to its deliberations.

First, the hon. member suggested that the accounts of the air lines should be set up to reflect past deficits. That matter was settled back in 1933 by action of parliament, which approved a recommendation of a royal commission set up to examine the operation of the Canadian National and the Canadian Pacific railways. The report of that royal commission resulted in the Canadian National-Canadian Pacific Act, which provided that deficits of the railways should be paid by parliament and not carried forward in railway accounts. That has been done since 1933, and I think no one will find from the railway accounts that the deficits of the Canadian National Railways have been carried forward in the manner suggested by the leader of the opposition. Doing so might be a very good way to cast discredit on the air lines, but I see no reason why a practice that has been established since 1933 should be changed simply for that purpose. Certainly it would serve no other purpose.

The suggestion was made that separate accounting be provided for every route flown by the air lines. That was discussed in the committee. The comptroller of the Canadian National Railways, who is also comptroller of Trans-Canada Air Lines, explained that that procedure is not proper transportation accounting; that it was not the practice to make a separation of that kind in any transportation system with which he is acquainted. The president of Trans-Canada Air Lines pointed out that the cost of that type of accounting would be enormous, greatly exceeding the cost of accounting at present carried on; and that the results when obtained would be perfectly useless to the management. He pointed out that although a particular route may not be profitable in itself, it might very well be found profitable when its contribution to traffic on other routes is taken into consideration. And he pointed out that no system of accounting could give due weight to such intangible return from the route solely from accounting records.

Those matters were dealt with by the management in committee, and dealt with by the committee; and the committee decided —as I remember it, by an overwhelming vote—that the present accounting practice should not be changed.

The leader of the opposition speaks of operating costs being fully explored. I can assure him that the management of the air line gives its best attention to the exploring of operating costs. The whole operation of the air lines is concentrated on fighting operating costs, and I doubt very much if this parliament can give much leadership in that detailed operation.

Then he suggested that the operation of Trans-Canada Air Lines should be placed under a different ministry. The minister who holds that responsibility at the moment is the minister who recommended that there be a Trans-Canada Air Lines and recommended the steps that led to its formation. He has been in charge of the policy of Trans-Canada Air Lines since its inception.

My hon. friend complained about the rate of growth of the air lines. He said T.C.A. should be serving every capital of the world.

The figures he quoted indicated, in the report of the air lines for 1941, a gross of about $5 million. I might point out that T.C.A. in 1949, which is eight years later, grossed in the vicinity of $40 million, and in 1950 will gross a substantially higher figure. If that does not indicate that the air line is growing, then I can think of no argument to use in that connection.

Then the hon. gentleman returned to his old friend, the engine of the North Star aeroplane. We threshed that subject out during the election campaign of 1949. It was referred to by the leader of the opposition on every platform on which he spoke from Halifax to Vancouver. He has said there was no falling off in traffic on account of his public statements. But that is not the view of the management. It was not the view expressed by the president of the air lines in his evidence before the committee on railways and shipping.

Mr. Drew: They are figures which you cannot escape.

Mr. Howe: The figures which the leader of the opposition quoted for May and June, 1948, referred to traffic when the sole equipment of the air lines was the DC-3 plane holding twenty-one passengers. He then compares that with the traffic figures for the next year when the line was equipped with the North Star plane carrying forty passengers.

Mr. Drew: They were increasing each month, the last months of last year.

Mr. Howe: Perhaps so, but he is comparing totally different equipment when he speaks of the early months of 1948 and the corresponding months in 1949.

It has been suggested that every detail of engine trouble should be discussed in this House of Commons. The suggestion is that any member of the opposition who has ridden in the back seat of an aeroplane is competent to advise the operating officers of the air lines as to what to do about their engine troubles. Has anything more absurd ever been suggested in this House of Commons?

Mr. Fulton: That is your statement, not ours.

Mr. Howe: We have operating officials who have spent practically all their working experience in dealing with aeroplane engines, and who have knowledge of the matter obtained from the engine builders. They know the details of the engine with which they are dealing. They are thoroughly familiar with the problem. The suggestion is that by discussions in the House of Commons and through recommendations from members of the House of Commons opposition—who are the only members of the house who feature that type of discussion—the work of these engineers and mechanics could be greatly facilitated.

Mr. Macdonnell (Greenwood): Nothing like that was said. To suggest it is utter nonsense.

Mr. Howe: I will let my hon. friend make his speech presently. The debate is wide open.

Mr. Macdonnell (Greenwood): That is my contribution.

Mr. Drew: You would not let the officers give evidence.

Mr. Macdonnell (Greenwood): What is one to say to a man who says he is not responsible for what he has said?

Mr. Howe: You can refer to that remark; but I am putting my statement together as I follow the points brought forward by your leader. The point is this. The public wish to be assured that they are riding in an aeroplane which is operating safely. That is their only concern. I think that nine passengers out of ten who ride the air lines would be surprised to learn that aircraft engines ever fail. They would be shocked if they knew otherwise. I have been travelling in aeroplanes as much as any member of the house perhaps and I have known an engine to fail only once, and that was a Pratt and Whitney engine installed in a DC-3. I did not like it. That was my experience, and I think it was exceptional. Only very few travellers on the air lines have ever seen any engine failure. Those who are responsible for the operation of the air line are aware that the operators of the aircraft have taken precautions against the failure of an engine. They know they are not asking the public to ride in aircraft in the operation of which there is any possible lack of safety.

Why the public should now be asked to go into all the details as to why engines have failed I cannot imagine at this time. I never have been able to understand the value of that type of publicity, or that kind of public discussion by public men of this country. Every new type of engine has its troubles when it is first put into service. The engine used in the North Star was a new type of engine in respect of a number of its accessories. Trouble was experienced, but that trouble was remedied as quickly as possible. Today the engine used in the North Star aircraft has a record of reliability that is not surpassed by any engine in any aircraft operating in any part of the world. Not only is that statistically true; it is known to the

operators of aircraft in every part of the world, who would be glad to testify to the correctness of what I am saying.

Referring to the remark by the leader of the opposition that there was nothing personal in his reference to the change of minister, which I do not accept because I think it is wholly personal—

Mr. Drew: Mr. Chairman, on a question of privilege, I would point out, and the record will show it, that what I said was that it should be under one minister, whoever that minister is.

Mr. Howe: The leader of the opposition also pointed out that it should be the minister who is administering the air regulations and also the Canadian National Railways. That cannot be arranged except by direction of the Prime Minister. In case my hon. friend has overlooked it, I would point out that that is a matter to be determined by the Prime Minister. I doubt if my hon. friend has any duty to recommend the change until he becomes prime minister, and perhaps at that time I shall not be very much interested in whether or not there is an air line.

An hon. Member: You will be flying with wings.

Mr. Howe: I shall be flying with wings. However, there is an advantage in not having the minister who administers the air regulations responsible for Trans-Canada Air Lines. I so state out of my own experience, because I used to be the minister who administered both at the one time. When a minister is asked by his officials to change the air regulations he is bound to think of the effect on the T.C.A., and the fact that he is responsible for the T.C.A. is likely to warp his judgment as to what should be done in the overall interest. I am giving this testimony from my own experience, that I think it is preferable to have the air regulations administered by one minister and the affairs of T.C.A. administered by another minister. In that way the minister representing the T.C.A. can put his case to his colleague just as any private air line can put their case to that same minister. That is the other side of the question.

But again I say that the question who will be responsible for the T.C.A. is of concern to no one except the Prime Minister. I think he can be trusted to exercise his judgment in that regard without advice from those who have neither the experience nor the position to entitle them to give that advice. I did not intend to speak at length on this subject, as I think this whole discussion is inappropriate on the particular bill in connection with which it is being brought up. I shall not trespass further on my colleague the Minister of Finance.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENTS TO CHAPTER 46, STATUTES OF 1932

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider Bill No. 269, to amend the Canadian and British Insurance Companies Act, 1932.

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

On section 1—*Policy in Canada.*

The Deputy Chairman: Perhaps I should remind hon. members that this bill was considered carefully in the banking and commerce committee.

Mr. Macdonnell (Greenwood): I think the other day the minister gave a fairly lengthy account of the purposes of this bill and, as the chairman has said, it has been before the banking and commerce committee. It is in that light that we consider the section. I think the minister will agree that it was considered fully and in addition it might be mentioned that it comes before the committee with the imprimatur of the department.

Mr. Abbott: I thank my hon. friend for his statement. The bill has been carefully considered by the banking and commerce committee. The sections are rather technical and I think, unless some hon. member has a question to ask about a special section, it would not be inappropriate to pass the sections quickly. I do not think we need consider that we would be derelict in our duty if we did not in committee of the whole give a detailed consideration to the section because this is a case in which that function can in my judgment be properly delegated to a committee like the banking and commerce committee.

Mr. Adamson: The minister will admit that there is some merit in committees.

Mr. Abbott: I admit fully that for certain purposes that is so. I have always stated that for certain purposes committees are invaluable and that is why we have always had committees in parliament. But in my opinion general questions of policy should not be referred to committees.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Insurance Companies

On section 9—Investment of company's funds.

Mr. Macdonnell (Greenwood): This is an important clause and I wonder if the minister could make a brief statement which I think would be of interest to hon. members.

Mr. Abbott: This section amends section 60 of the act which is the main investment section. The revision that has been made is fairly extensive. I outlined this in my preliminary statement the other day. The investment powers are being extended to what are known as lease real estate agreements and to equipment trust agreements outside Canada: there is a modifying of the requirements with respect to investment in debentures; there is an extension of the investment power to cover debentures issued by public bodies such as the harbours board and the like and also applying what is known as the amortization principle of valuation to the securities of the Dominion of Canada and any province of Canada, or of the United Kingdom or the United States.

Briefly those are the changes provided by this section. My understanding is that a detailed explanation of the changes was given by the superintendent to the banking and commerce committee and for that reason I assume the committee will not want me to make a more extensive explanation.

Section agreed to.

Sections 10 to 42 inclusive agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

FOREIGN INSURANCE COMPANIES ACT

AMENDMENTS TO CHAPTER 47, STATUTES OF 1932

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider Bill No. 268, to amend the Foreign Insurance Companies Act, 1932.

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

On section 1—*Repeal.*

The Deputy Chairman: It is my understanding that this bill also has been carefully considered in the standing committee on banking and commerce.

Mr. Abbott: It is similar to the other bill. This is the bill relating to foreign insurance companies as opposed to British and Canadian companies under the other bill.

Section agreed to.

Sections 2 to 22 inclusive agreed to.

[Mr. Abbott.]

Schedule agreed to.

Bill reported, read the third time and passed.

CANADA SHIPPING ACT

AMENDMENTS TO RATIFY INTERNATIONAL CONVENTION FOR SAFETY OF LIFE AT SEA

Hon. Lionel Chevrier (Minister of Transport) moved the second reading of Bill No. 303, to amend the Canada Shipping Act, 1934.

Mr. Green: Could we have a statement by the minister?

Mr. Chevrier: The most important part of this bill deals with amendments to the Canada Shipping Act which are required in order to implement the international convention for the safety of life at sea, 1948, signed at London on June 10, 1948. The convention was signed by two of the Canadian delegates subject to acceptance, and the government proposes to accept the convention if and when parliament enacts the proposed amendments to the Canada Shipping Act contained in this bill.

It will be recalled that the safety convention of 1929 was made part of the law of Canada by the Safety of Life at Sea and Load Line Conventions Act of 1931. Subsequently, when the Canada Shipping Act, 1934, was passed, the safety convention was incorporated in that act as schedule 4, and the provisions of the act contain frequent references to the provisions of the 1929 convention. Consequently it is necessary to amend the Canada Shipping Act, 1934, in order to bring the provisions of that act in line with the new convention.

The safety convention of 1948 consists of fifteen articles. It is accompanied by six chapters of technical regulations which are difficult to paraphrase or summarize without affecting their significance. However, I shall endeavour to indicate in a general way the directions in which they differ from the 1929 convention. The convention itself has chiefly to do with the contractual relations between the governments which are parties to it. Throughout this convention the concept that there will come into being a permanent international wartime organization is followed. Article I contains the contract between governments to give effect to the convention by any necessary national action. Article II sets forth the ships to which the convention applies. Article III provides for an interchange of information between governments, and article IV deals with cases of *force majeure*. In general these articles differ little from the 1929 convention.

Articles V and VI contain provisions for deviation from the requirements of the convention in cases of emergency. Article VII abrogates the 1929 convention as between contracting governments.

Article IX provides for future amendments of the convention or of the regulations. All proposals for amendments submitted by member governments go to the maritime safety committee of the permanent international maritime organization known as the intergovernmental maritime consultative organization familiarly called IMCO, and are communicated by that organization to all contracting governments for their consideration at least six months before they are considered by the assembly. The assembly provided for in the IMCO convention is a meeting of representatives of the various member states, in effect an international diplomatic conference, meeting at fixed intervals of two years. These biennial meetings of the assembly afford a means of adopting needed amendments without long intervals, as in the case of ad hoc conferences. It should be noted that article IX differs from the 1929 provisions regarding amendments by requiring a screening by the maritime safety committee of IMCO; by requiring circulation at least six months in advance of consideration; by permitting consideration only at biennial meetings of the assembly, and by requiring a two-thirds majority vote of the assembly and of the maritime safety committee. There is a specific prohibition against making structural amendments retroactive. Generally speaking, article IX provides such machinery for the amendment of the convention as may be desirable, but surrounds such machinery with safeguards against hasty or ill-considered changes. A provision in article XV permits a conference to be called for amending the convention if IMCO is not in force.

Article XI provides that the convention is to come into force on January 1, 1951, if by January 1, 1950, fifteen governments, including at least seven governments having not less than one million gross tons of shipping have accepted it.

Mr. Green: Has that happened?

Mr. Chevrier: No, as I will indicate in just a moment. Otherwise it will come into force one year after such fifteen governments have deposited their acceptances. At the present time—and now I deal with the question of the hon. member—I am advised that the convention has been accepted by the United Kingdom, the United States of America, the French republic, the Netherlands, New Zealand and Sweden. But as not enough acceptances were deposited before January 1, 1950, the convention will not come into force on January 1, 1951. It will not come into force until accepted by fifteen governments.

I shall deal now with the chapters in the various regulations. Chapter I of the regulations contains general provisions as to their application. Unless expressly provided otherwise, the regulations apply only to ships engaged on international voyages. Regulation 3 excepts certain classes of ships such as troopships, warships, cargo ships of less than 500 tons gross, ships not propelled by mechanical means, yachts and fishing vessels. In addition, special exemption is given to vessels solely navigating the great lakes and the St. Lawrence river as far east as Montreal.

Regulations 6 to 19 inclusive of chapter I provide for the inspection and survey of ships subject to the convention, and for the issue and acceptance of certificates. These fourteen regulations follow generally the pattern laid down in the 1929 convention, but additional certificates have been provided to take care of new requirements. Regulation 20 has no counterpart in the 1929 convention. It specifically requires each government to conduct an investigation of any major marine casualty and to supply IMCO with pertinent information concerning such casualties, particularly where such information bears upon the operation of the regulations. This provision should result in the accumulation in a central body of valuable data for use in considering future amendments to the regulations.

Chapter II deals with the construction of ships from the safety standpoint, with special regard to the prevention or mitigation of casualties. New provisions are contained in this chapter requiring that a vessel shall have adequate stability when in a damaged condition. The convention considerably exceeds that of 1929 in its requirements for protection against fire. It authorizes three alternative approaches to the problem. The first is the essentially incombustible ship; the second depends upon an automatic sprinkler installation; and the third requires the extensive use of fire-retardant bulkheads together with the installation of an automatic fire-detection system. The adoption of regulations setting forth definite requirements for protection against fire is one of the outstanding features of the convention.

Basic regulations are included dealing with those electrical installations on passenger ships which are essential for safety. This subject was not dealt with in 1929, but the increased use of electricity since that time made its consideration imperative. In the

1929 convention it was provided that passenger ships should be inclined upon their completion, and the elements of their stability be made known to their operating personnel. The new convention extends this requirement to cargo ships of 500 gross tons and upwards. The convention also makes provision for fire-extinguishing appliances on cargo ships of 1,000 gross tons and upwards. The previous convention dealt in this respect with passenger ships only.

Chapter III deals with life-saving appliances and emergency musters and drills. A most important advance beyond the 1929 standards in this direction is the extension of many requirements to cargo ships of 500 tons and upwards. The definition of "short international voyage" is rewritten to include both length of voyage and distance off shore, and a measure of increased boatage is required for ships on such voyages.

Lifeboat equipment requirements have been increased in the light of lessons learned in the war. All lifeboats are required to be lifeboats of class I, and mechanical davits are required on ships over 150 feet in length.

All ships are required to carry means for making distress signals by day or night, and the line-throwing apparatus must now be capable of attaining a minimum range of 250 yards. The requirements as to musters and drills on board ship are increased, and in certain directions are made applicable to cargo ships.

Chapter IV covers radiotelegraphy and radiotelephony. This chapter requires cargo vessels of 500 gross tons and over, but under 1,600 gross tons, to be equipped with a radiotelephone installation if not fitted with a radiotelegraph installation. In the 1929 convention the minimum limit on cargo vessels was 1,600 gross tons, and there was then, and is now, no radiotelephone alternative for these larger ships. Chapter IV further provides for a greater degree of flexibility in permitting exemption from radio in that the exemption is not necessarily related to specific mileage, may be partial or conditional, and must take into account the various conditions surrounding the particular voyage.

The requirements of this chapter as to listening on distress frequencies, except for cargo ships of less than 1,600 gross tons, involve advances as to the hours of operator-listening, and as to the installation and operation of auto alarms. The new provisions substantially increase the possibility of distress messages being promptly picked up by ship stations. The technical requirements as to radiotelegraph installations both on board ship and for use in lifeboats represent a substantial advance over those contained in the 1929 convention.

The necessary changes in the requirements as to surveys and as to certificates have been made to suit the new provisions. A certificate called a safety radiotelephony certificate is established to cover the small cargo craft and conditionally exempted ships equipped with radiotelephone only. Provisions have been made so that the distress frequencies, to which reference is made in the new convention, shall follow any future requirements adopted by the international telecommunication union.

Chapter V deals with safety of navigation, under which broad term a number of requirements chiefly of an operational nature are included. The chapter generally applies to all ships on all voyages, including those specifically excepted by chapter I, saving only ships of war.

The provisions in regard to meteorological services have been rearranged and expanded to take into account the recommendations of the international meteorological organization.

The procedures covered by article 45 of the 1929 convention relating to distress messages have been modified to take into account the increased range of marine radio installations, and to extend rescue provisions to aircraft or survival craft. The proposed regulations adequately provide for the securing of assistance from other vessels, but are designed to avoid interfering unduly with ships not needed for the rendering of assistance. The requirement of direction finders on board ship has been extended to all ships of 1,600 gross tons and upwards, as compared to passenger ships only of 5,000 gross tons and upwards required by the 1929 convention. This requirement may be deferred for two years from the date the new convention comes into force. Exemption may be allowed in the case of vessels operating in regions where there are few or no radio beacons, but the value of the direction finders from the rescue standpoint must be taken into account. In this connection a new regulation requires governments to set up such aids to navigation, including electronic aids, as the volume of traffic along their coasts and the degree of risk demand. Similarly, a new regulation requires each government to maintain adequate rescue equipment along its coasts.

Another new regulation provides for a simplified and efficient system of signals between a stranded vessel and a rescue party on shore. This system is easily understood, and involves no elaborate equipment on the

vessel. A regulation covering safe pilot ladders is included to make the boarding of ships in open waters less hazardous.

Chapter VI deals with the carriage of dangerous cargoes, that is to say cargoes which are dangerous either from their inherent nature or from their liability to shift at sea. Specifically, the subject of grain cargoes is dealt with in some detail, and requirements for adequate shifting boards are provided. There are now in force in Canada regulations, made under the Canada Shipping Act, covering the carriage of dangerous goods and regulations covering the stowage of grain cargoes. I think I may say that all the changes made in the new convention are in the direction of increased safety and take into account the advances made in ship construction and seamanship since 1929.

There are other provisions in the bill, apart from the safety convention, which the government considers it advisable to enact at this time. I should like to deal briefly with those now.

For some years there has been a feeling in this country that a ship registered in Canada should be described in the act as a Canadian ship. Our ships are known on the seas and lakes as Canadian ships, and fly the national colours of Canada. It is out of date to use the cumbersome expression—"British ship registered in Canada", or "ship registered in Canada," and to bring the act in line with modern usage the bill provides that the expression "Canadian ship" will be substituted for the expressions "ship registered in Canada" and "British ship registered in Canada", wherever these latter expressions occur. At the same time Canadian ships will retain their status as British ships and continue to enjoy the rights and privileges usually accorded to British ships on the high seas and in all ports of the world. The change is one of terminology and does not affect the legal status of ships of Canadian registry. It should commend itself to all members interested in Canadian shipping.

There are amendments designed to enable Canadian consular officers, wherever possible, to take over duties and responsibilities now performed by British consular officers in connection with Canadian ships and seamen. At ports where there are no Canadian consular officers the British consular officers will continue to act for Canada under arrangements made with the United Kingdom government.

There are also amendments concerning the licensing requirements of small craft under ten tons registered tonnage. At present these small vessels are not required to be registered but under section 107 of the act ships exempted from the provisions of part I relating to measurement and registration are required to take a licence from a chief officer of customs. The licensing requirements cover small motorboats and pleasure craft owned by Canadians but do not cover small craft owned by aliens. There are many such vessels maintained in Canada by United States citizens who have summer residences in this country, and it is desirable to have these motorboats and yachts licensed and marked for identification purposes so that in case of accident the owner can be easily located.

There is also a problem connected with small boats equipped with outboard motors which under a strict interpretation of the act are required to be licensed.

The bill provides that the governor in council may make regulations respecting the licensing for identification purposes of small vessels under ten tons registered tonnage maintained in Canada by aliens; the licensing of vessels equipped with outboard motors; the marking of licensed vessels; the exemption from the licensing requirements of certain vessels to take care of special cases; and the imposition of a penalty for failure to license and mark. In view of the increasing navigational hazards caused by small craft and the extensive use made of these vessels in different waters, it is considered advisable to deal with the problem by regulation rather than by statutory provision.

Representations have been made that parliament should enact a motorboat act along the lines of the motorboat act of the United States which applies to motorboats and certain other vessels not more than 65 feet in length. While this suggestion is receiving the attention of the officers of my department, the government does not propose, at this time, to introduce a bill covering the whole field of motorboat regulation. There is, however, provision in the bill to amend the Canada Shipping Act to permit the issuance of temporary certificates as master to persons qualified to take charge of motor vessels, not exceeding 65 feet in length, carrying passengers in an open cockpit, or in a cockpit which is covered by a light trunk cabin, and plying on the inland or minor waters of Canada within specified limits. This will permit the operation of large motorboats carrying passengers, such as the well-known tour boats in the waters of the Thousand islands, where the operators have local knowledge of the waters but do not hold a regular certificate as master or mate for inland or minor waters.

There are other miscellaneous amendments contained in the bill including amendments relating to the pilotage service and other matters which I do not propose to explain in

detail. These amendments have been recommended by my officers, who are familiar with the workings of the act, and are considered to be in the interests of the shipping industry. After the discussion of this bill has been terminated, I propose to move that it be sent to a committee for study. While the bill appears to be fairly lengthy on the surface, as hon. members who have it with them will observe, there are but sixty-three sections. The rest of it deals with the articles, the chapters, and the regulations, pretty much in the same fashion as did the safety of life at sea convention, 1929. That convention was approved by the house and was later made a part of the Canada Shipping Act. The same procedure is being sought at this time and I propose at a later stage to move that the act be sent to the committee on railways, canals and telegraph lines for study.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, in view of the fact that this bill is to be sent to the standing committee on railways, canals and telegraph lines there is no need for me to say much about it today. I hope, however, that in that committee it will be possible for us to get a detailed explanation of the various sections of the bill and also of the provisions of the international convention. As we all know the session is drawing to an end, and at this particular stage in a session it is always difficult to give careful consideration to any measure. I hope the minister will arrange to have his officials present before the committee and that we shall be given every facility for getting a thorough understanding of the bill.

Mr. Chevrier: I give that assurance now.

Mr. Green: As I see it, there is little that is controversial about the bill but there are details which are of some importance, particularly to those Canadians who live on the St. Lawrence river, on the Atlantic coast or on the Pacific coast. I also hope that the opportunity will be given to such bodies as the labour unions, the shipping people, and the shipbuilding people to have representatives appear before this committee should they wish to do so. I should also like to ask that the radio operators be permitted to make representations before the committee. I know that on the Pacific coast they are much concerned about a trend toward cutting down the use of radiotelegraphy and replacing it by the radiotelephone. That is something that has given a good deal of concern to these radio operators and also to many of the general public who are interested in the safety of ships. The shipping companies of course look at the question more from the point of view of cutting down expenses, and I presume they would be in favour of having more radiotelephones and fewer radiotelegraphers. But the question of safety of life is directly involved in the question, and I trust that it will be possible to hear representations from both sides, if they wish to appear.

It may also be wise to have representations from the pilots of Canada. I do not know to what extent they are worried about the amendments to the Canada Shipping Act which affect them; but if they are concerned about any of these amendments, they should be given the opportunity to appear before the committee.

The minister has said that once this bill has been passed by the house, Canada will accept officially the international convention for the safety of life at sea. The terms of that convention are a schedule to this particular bill, and I take it that the committee will be considering that convention in the same way that the committee on external affairs, a few days ago, considered the convention setting up the international meteorological organization. The minister did not say whether he is entrusting the job of going into the details of this particular international convention to the standing committee on railways, canals and telegraph lines or whether he will ask that it be done by the external affairs committee. In my opinion it would be much more suitable in this case to use the standing committee on railways, canals and telegraph lines.

Mr. Chevrier: At the conclusion of my remarks I said it was my intention to move that this be referred to the committee on railways, canals and telegraph lines.

Mr. Green: The minister also said that after this bill is passed he will ask the house to authorize the government to accept the international convention, which I presume will be done by a subsequent motion. I take it there will be no need to refer this particular convention to the committee on external affairs.

Mr. Chevrier: No.

Mr. Green: It should be pointed out that the international convention for the safety of life at sea does not apply to shipping on the great lakes. The minister will correct me if I am wrong; as I understand it, that shipping is excepted from the provisions of the convention.

Mr. Chevrier: That is right.

Mr. Green: So that it will apply only to shipping on both coasts. Then again I believe it does not apply to coastal shipping but only to the shipping from one country to another; so that any changes to be made in our coastal shipping laws will have to be considered quite apart from the international convention.

In the bill I notice that there are some changes in the provisions which apply to coastal shipping, but many situations are not being dealt with. For example, take that very question of radio telegraph and radio telephones. I can find no provision in this amending bill which deals with that situation in so far as ships engaged in the coastal trade are concerned. Of course it is on those ships that the problem has arisen. I would hope that amendments could be made to the Canada Shipping Act to deal with that particular problem on the coastal ships.

There is just one other point. It has to do with the licensing of outboard motors. I am afraid that if the minister is going to insist on licensing all the outboard motors in Canada he will have to set up a sea police. Certainly he will be interfering with thousands and thousands of people operating these small boats, most of them pleasure craft. Not only will they be on the sea coast and on the great lakes, but they will be on hundreds of lakes in Canada. I would hope that he is not going to have a gestapo running around from lake to lake seeing that everybody with an outboard motor on a canoe has a licence. Perhaps he has no intention whatever of doing that; but I do point out to him that the bill appears to go very far. The regulations for the licensing of outboard motors should be restricted to those vessels which are being operated where there is shipping and where there could be some confusion.

He said that there had been thought of the government bringing in a motorboat act to deal with motorboats all over Canada. This is the first time I have heard of any measure of that kind being under contemplation. It may be necessary, but it would seem to me to be interfering with provincial jurisdictions, and again to be making a great deal of trouble for the minister which he could avoid without harming the interests of the Canadian people. However, we will not have to solve that problem during the present session.

I can assure the minister that members of the official opposition who are on the committee on railways, canals and telegraph lines will attend the sittings with the sole intent of helping to give careful consideration to the international convention and also to the amendments to the shipping act. I do not think there is any reason for political controversy, but we shall require thorough explanations and a reasonable amount of time in order to go into all the details.

Mr. Clarence Gillis (Cape Breton South): I shall detain the house just about a minute. Had the minister not made the statement that this bill of 150 pages is going to the committee on railways, canals and telegraph lines, I would have a lot to say. I listened to the minister carefully when he made this statement. With some of it I agree; with a lot of it I disagree.

I have read the bill, but I cannot say that I fully understand it. I do know that the principle of the bill, namely, amendment of the Canada Shipping Act, is something that is long overdue. I am glad that the minister has got around to it. I am going to reserve whatever comments I have until the committee sits and we have someone before it who is in a position to explain the technical changes that will be brought about in the industry because of the suggested amendments.

I just want to emphasize something that the hon. member for Vancouver-Quadra (Mr. Green) had to say. In addition to the experts from the minister's department I suggest it would be well to have someone from the industry as well, because a lot of changes that are suggested in the amendments are going to affect the industry. I want to leave that thought with the minister. If he does not call them the hon. member for Vancouver-Quadra will very likely do so with my co-operation.

Mr. H. W. Herridge (Kootenay West): I shall be only two or three minutes. The hon. member for Burnaby-Richmond (Mr. Goode) has come over to warn me that I should say nothing at all, but I am going to say a few words regardless of what he says.

I am very pleased to see this bill introduced. It is a very technical bill from the standpoint of a layman. One who has not had great experience on the sea is not in a position to say much about a bill such as this until he has had the opportunity to hear the sections explained before the committee by the officials.

I am glad to hear the minister say that he proposes to have this bill go before the committee on railways, canals and telegraph lines. I support the proposal made by the hon. member for Vancouver-Quadra that representatives of unions and representatives of the radio operators have an opportunity to present their point of view before that committee. Representations enough have been made in that direction, and there is enough evidence being gathered to warrant the committee hearing the point of view of these people on such a very important question.

I would say this to the hon. member for Vancouver-Quadra, who was a bit concerned as to whether it was going to license outboard

motors and things of that sort. From my personal experience I have a great respect for the steamship inspectors of the minister's department. I have had occasion to know them throughout the years in connection with interior services, and I have found them very thorough-going and practical men indeed. Without reading the bill I would suggest that if it is drafted as a result of advice received from a number of the past captains of the navy and the merchant marine in the minister's department, based on their theoretical knowledge and experience, it will be a very practical bill. Not much will be found wrong with it; but if it is passed on the advice of people without sea experience we might find many loopholes in it. I would say, in connection with the matter mentioned by the hon. member for Vancouver-Quadra (Mr. Green), that with respect to the motor boat question I have found from practical experience that if one does not wish to be bothered by steamboat inspection he builds his boat one hundred pounds under inspection tonnage, and then he is all right.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I rise to a question of privilege. The hon. member for Kootenay West (Mr. Herridge) has said that I went over to his seat and asked him not to speak. That is not entirely correct. I noticed he was making some motions toward me and, not being sure what he meant, I went over to ask him in a courteous way. The hon. member asked me whether the hon. member for Skeena (Mr. Applewhaite) was going to speak, and I said I did not know. In a jocular manner I asked him if he was going to speak, and that I hoped he would not. I still wish he had not.

Mr. Adamson: Is the minister prepared to do anything about outboard motors? I hope he can put silencers on them.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

DOMINION ELECTIONS ACT

AMENDMENTS WITH RESPECT TO VOTING RIGHTS OF ESKIMOS AND INDIANS, ETC.

Hon. F. G. Bradley (Secretary of State) moved the second reading of Bill No. 311, to amend the Dominion Elections Act, 1938.

Mr. Drew: Would the minister give a general explanation of the bill?

Mr. Bradley: Mr Speaker, this is a bill to make certain changes in the elections act in accordance with the recommendations of the special committee appointed recently for that purpose.

[Mr. Herridge.]

Section 1(1) is for the purpose of extending the franchise to Eskimos by removing them from the exemption in paragraph (e). Section 1(2) of the bill amends paragraph (f) so as to bring the text in line with a later section in the bill and to afford to Indians the opportunity to acquire the vote by waiving their right to exemption from taxation on personal property. This refers to those Indians who ordinarily reside on reserves. Section 1(4) provides for the right of an Indian's wife to vote where the Indian is a veteran of either world war I or world war II.

Section 2 makes provision for a change in the period between nomination day and election day in certain ridings throughout Canada. These are based upon climatic conditions which render it either difficult or in some cases impossible to get the ballot boxes around within fourteen days, the period ordinarily reserved in the act for that purpose.

Section 3 makes provision for the inclusion of Newfoundland in paragraph (c) in cases of appeals from the county court judge, and makes that section apply to Newfoundland as well as to the other provinces therein named.

Section 4 of the bill contains the schedule.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I should like to make a few observations on second reading. As the Secretary of State (Mr. Bradley) has said, section 2 of the bill adds to the number of constituencies which shall have twenty-eight days between nomination day and polling day.

The Acting Speaker (Mr. Beaudoin): Order. The hon. member ought not to quote sections of the bill at this stage. That could be done more properly in committee.

Mr. Browne (St. John's West): I am referring to the principle of extending the time from fourteen to twenty-eight days, and to the number of constituencies in the country affected by the adoption of that principle.

This matter was before the standing committee, and it was pointed out that not all the constituencies in Newfoundland included here need such a long time between nomination day and polling day. It has been represented that it is very difficult for a returning officer to visit his area and to have the ballot boxes distributed in time. However, as I pointed out in committee, under the constitution under which Newfoundland operated between 1832 and 1932, a period of one hundred years, nomination day was only ten days in advance of polling day. Improvements in transportation methods in the last twenty years should tend, not toward an increase but rather toward a shortening of

that time—although ten days would not be sufficient in a federal election where the amount of paraphernalia to be distributed is much greater than it is in a provincial election. Nevertheless, operating on that schedule of ten days between nomination day and polling day I never knew of any serious difficulties in some of the constituencies set out in this bill. I suggest that when we are in committee this matter be considered further.

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

On section 1—*Repeal.*

Mr. Green: I would ask the Secretary of State to explain why this act is not amended to give the vote to the Indians of Canada. In the bill there is a section giving the vote to Eskimos, but there is still a restriction against the Indians. My understanding is that the Indian does not have a vote unless he signs a waiver of exemption from taxation. In British Columbia the Indians were given the vote last year or the year before, and voted at the last provincial election. As a matter of fact one of them was elected a member of the provincial legislature, and I believe that was the first instance of an Indian being elected to any legislative body in Canada.

Mr. Harris (Grey-Bruce): Oh, no.

Mr. Green: He represented his riding during the recent session at Victoria, and did so with considerable distinction. I believe the time has come to give the vote to Indians in Canada. They have proved that they are well qualified to have that right in British Columbia; and if they are eligible to vote in a provincial election they should also be allowed to vote in a federal election. I do not understand why there should be any difference. Perhaps the minister could amend the act to provide that where an Indian may vote in a provincial election he shall also be eligible to vote in a dominion election. We had that in reverse before. A Japanese could vote in a dominion election in the rest of Canada, but could not vote in British Columbia because he had no vote provincially. That has now been changed but for many years the law read in the way I have indicated. I urge the minister to give further consideration to this section so that Indians in British Columbia may vote in federal elecions just as they can in the provincial elections. I regret that the Indians from one coast of Canada to the other have not been given the vote, but there is no reason why they should not be given it in British Columbia.

Mr. Bradley: One of the bases for granting the franchise is that the holder of it shall be subject to the ordinary taxation laws of the land. That is a principle that goes away back, that there shall be no taxation without representation. The reverse would seem to apply equally strongly, that there shall be no representation without taxation.

Mr. Smith (Calgary West): What about the Eskimo?

Mr. Bradley: It would be a curious situation if these people had the full franchise in Canada and yet were exempt from personal property taxes.

Mr. Smith (Calgary West): If the Eskimo has it, why not the Indian? Give us some reason for that. You cannot, of course.

Mr. Gibson: It seems to me that this bill has been brought in without having received due consideration by the cabinet. I do not think it has been thought out too clearly. This matter was brought up in the Indian affairs committee which has deliberated for two years and I am of the opinion that that committee would not have recommended this course of action if it had been taken into the government's confidence before this legislation was introduced.

I resent, and I am sure the Indians will also, the fact that these people are being placed in a different category from the Eskimo. I think it is an admitted fact that the Indian population is considerably advanced over the Eskimo population. I do not want to be too critical of the government because I am sure they are acting with the best intentions, but I am sure that a great many Indians on the reserves throughout Canada will consider that they are being asked to buy the right to vote. They are being asked to waive their ancient rights of exemption from taxation while living on the Indian reserves.

I realize that perhaps that will have to be eliminated at some time, but I do not think it is right to give the Indian a vote only if he waives that exemption which is his by long usage. We are setting up about five different classes of Indians in connection with voting. There are those who were previously enfranchised through giving up their rights as Indians. Then there are the war veterans and war veterans' wives who have been given the right to vote. Another class is made up of those who have signed waivers. There is still another class of taxpayers and voters, including the veterans, who have not signed waivers.

Mr. Carroll: Are the Eskimo and the Indian in the same category as far as being a ward of the government is concerned?

Mr. Gibson: They are accepted as wards of the government in the estimates of the health and welfare department where they are handled jointly. I am sure the minister who looks after that matter will confirm what I say.

Mr. Carroll: The Indians are wards of the government and are supported by the government, and I should like to know whether the Eskimos are in that same category.

Mr. Gibson: They are definitely wards of the government and have been accepted as such.

Mr. Ward: I think the hon. member is wrong, the Eskimo is not a ward of the government.

Mr. Gibson: Maybe we should have a ministerial statement on this.

Mr. Smith (Calgary West): Will the minister tell us how many Eskimos in Canada are paying taxes?

Mr. Harris (Grey-Bruce): That is not the problem. The problem is whether the Eskimos are exempt from taxation by statute and the answer is that they are not. But the Indian is exempt from taxation by statute. The Eskimo, not being exempt from taxation, may vote; the Indian, being exempt from taxation by statute, may not vote. This bill provides that he may vote if he waives his exemption.

Mr. Smith (Calgary West): A nice tricky statute.

Mr. Harris (Grey-Bruce): It is not a tricky statute.

Mr. Smith (Calgary West): The Eskimos do not pay any taxes, do they?

Mr. Harkness: In the Indian Act as we have had it up to the present time the Eskimo is defined as an Indian because it is stated that wherever the word "Indian" appears it shall be taken to apply to the Eskimo. In the bill now before the committee that is not the case. I find it rather difficult to find the distinction that is being drawn.

Mr. Harris (Grey-Bruce): There seems to be a misunderstanding about this. The Eskimo, for the purposes of the jurisdiction of the federal and provincial governments, is considered to be an Indian under a decision of the courts, but that does not put him in the position of having the benefits of the Indian Act.

Mr. Drew: Mr. Chairman, I think we should have a better explanation because the explanation just given by the Minister of Citizenship and Immigration does not answer the question that has been raised in regard to the situation that will result. I do not think there is any occasion to make a comparison one way or another between the Indian and the Eskimo, but it does seem to me that in this particular case the Eskimo is being treated in a manner that places him in a more favourable position than the Indian.

In this particular case you are imposing certain conditions in regard to the Indian which it seems to me are not in keeping with our attempt to make him a responsible citizen. I think every step should be taken to give the Indians full rights of citizenship and make them feel that they are citizens of this country in every way. They have demonstrated their capacity to assume responsibility and I do not think they should be dealt with in a manner that seems to separate them from the other people of this country. It seems to me that the right to vote should not be based upon a condition of this kind.

Mr. Bradley: There is no difference in treatment between the Eskimo and the Indian. Some Indians already have the vote. This bill deals with Indians who are ordinarily resident on the reserves and who have certain statutory exemptions from taxation. So far as I know there are no Eskimo reserves. There is no exemption from taxation in favour of the Eskimos, and therefore we propose to give them the full franchise. If an Indian wants the full franchise and is prepared to accept the same conditions under which it is extended to the Eskimos, and to the white men, for that matter, he can have it. It is not relevant to say that the Eskimo does not in fact pay taxes. Even if the Indian will not have to pay taxes, still he must execute the waiver.

Mr. Smith (Calgary West): Surely this is a lot of legalistic quibbling, and that is all. Leaving out questions of treaty money, reserves and everything else, today we are giving the Eskimos the franchise and refusing it to the Indians.

Mr. Bradley: Some Indians.

Mr. Smith (Calgary West): The great majority of them, because they are on reserves. You are giving it to all the Eskimos; you will not give it to all the Indians. Why not? Are they inferior? Are they incapable? If the minister would give us some reason of that kind I might be prepared to accept it. If you are giving it to one class—I was going to say one ethnic group but I will leave that alone, because I do not quite know what it means—why not give it to the other? That is something for which I have not yet heard one sound reason. The only reason advanced is that the Indian on a reserve receives treaty money, and is given certain consideration

when he is old. Why should that have anything to do with whether or not he is allowed to vote? We allow people who receive old age pensions to vote, though in that sense they are receiving money from this government. Let the minister tell me why we should make the franchise general with respect to Eskimos and why it cannot be made general with respect to Indians. Surely it has nothing to do with taxes or anything of the kind. Those are just legalistic reasons. If you are giving it to one of course the sound thing to do is give it to both.

Mr. Gibson: Following what has been said by the hon. member for Calgary West, there are in my riding very intelligent, hard-working Indians who may pay two or three thousand dollars a year in taxes, but they are not given the right to vote unless they are prepared to give up some of their ancient rights. Yet we turn around and let an Eskimo vote, though certainly we do not owe him anything more than we owe the Indian, and certainly he does not pay taxes. My tax-paying Indians cannot vote, and I resent it. I believe the government are wrong in bringing down this legislation, and I ask them to reconsider it.

Mr. Ferguson: This is 1950; we are holding up the torch of democracy, yet we say that men and women who were the original citizens of this country may not have a voice in its government by means of the ballot. If an Indian served his country, he is given the privilege of voting; otherwise he is not. It may be that we will be fortunate enough to have no war for the next ten years; in the meantime these young men, many of whom no doubt would volunteer more readily than some of those who have the privilege of voting, are given no say in the running of the country. If a war should break out and we should call for recruits, however, these young men twenty-three, twenty-five or twenty-seven years of age would step forward the day war was declared and volunteer to defend their country. To one group of Canadian citizens—and there is no doubt that they are Canadian citizens—this government says, "You may have no voice in the conduct of affairs because years ago it was thought advisable not to permit you to vote owing to the fact that you were given certain concessions by the federal government." As the hon. member for Calgary West has said, an old age pensioner receives money from this government, but he has the privilege of voting.

Let us take a step forward in this year 1950 and give every citizen of this country the right to voice his opinion of the government by marking his ballot. Do not ostracize and set apart one group of citizens of whom we should all be proud. They are Canadians, and good ones. I think it is a disgrace that the Indian is not permitted to vote.

Mr. Applewhaite: Mr. Chairman, it seems to me this discussion has not been altogether fair to the committee or to the minister who introduced it. I suggest that as far as Indians are concerned there are two classes of thought in Canada. There are those who would like to see the Indian given the same status, God help him, as the white man at the earliest possible opportunity. On the other hand there are those who would like to see the Indian kept where he is today. In between those two schools of thought is a large section of the population which does not seem to consider the Indians one way or the other. To those who take an active interest in the affairs of the Indians and wish to see their status raised to that of full citizenship as quickly as possible, compatible with the interests of the Indians themselves, I suggest that owing to the circumstances of the past hundred years this cannot be done overnight. I think everyone will admit that we could not just wipe out the Indian Act and everything it implies; so it has to be done gradually. Just because nothing has been done in all the years past is no reason to oppose some action being taken now.

However, the point I wish to make is not concerned with taxation or representation. I suggest that if you are going to throw the vote to anybody just like that, they will treat it with the same degree of respect and consideration with which, unfortunately, it is treated by a great many of us. We are given the vote as a matter of course when we reach the age of twenty-one. The figures in any election will show that in some parts of the country we do not attach much importance to this vote that came to us in that way. I have not the figures, but I would not mind betting—if it were parliamentary to bet—that the percentage of nationalized Canadians who make use of their vote is much higher than that of Canadians by birth. So if we are to give the Indians the vote, and if it is to have any value to them, they must realize that responsibilities go with it; that if they are to acquire the privileges we enjoy as white Canadians they must accept the responsibilities that go with them. Unfortunately for all of us, those responsibilities include the right to pay taxes.

I would not like to see this differentiation with respect to the Indians continue longer than is absolutely necessary. I suggested to some Indian friends of mine some time ago that it might be a good plan to adopt the system followed in New Zealand with respect to the Maoris; that is, give them all the vote and let them elect their own members to

four or six seats. They promptly replied, "That is not what we want. That will perpetuate the discrimination. We want to vote on a par with you". Well, Mr. Chairman, they are not going to vote on a par with us if from the financial aspect we continue to regard them as wards of the country, incapable of paying taxes, which implies the inability to earn a living in competition with the rest of us. I do not think it is fair to the Indians who really want to vote to assume that they would like to take it all on the one hand and assume no responsibility on the other. I would suggest to you that those who would accept the vote, and would take that right without paying their taxes, are perhaps those Indians who have not yet reached a stage of citizenship where they are entitled to vote. It is absolutely unfair to say, as I believe the member for Simcoe North said, that this government is giving the Indian no voice in the affairs of the country. By this act this government is giving to every Indian the opportunity to exercise his voice in the affairs of the country if he wants to do so as a tax-paying citizen. It is a step in the right direction, and I am a bit surprised it has not been accepted in that spirit. I feel confident that the Indians in my district, who are socially far advanced, will put themselves in a position where they can vote and pay taxes.

Mr. Charlton: The last speaker mentioned the Indians' right to do certain things. The Indians now have the treaty right exempting them from income tax on moneys earned on the reserve.

Mr. Harris (Grey-Bruce): No, that is not a fact.

Mr. Charlton: How does it happen that they are exempt?

Mr. Harris (Grey-Bruce): They are exempt by a statute of parliament, and that is what I was trying to explain to the member for Calgary West.

Mr. Charlton: In any event, they are exempt from the payment of income tax on money earned on the reserve. They have to pay the same taxes as other people on money earned outside the reserve. I do not feel this government is giving the Indian very much by giving him a vote, but at the same time taking away another right which the Indian feels he has earned. He has paid dearly for that right. As the representative of the Six Nations Indian reserve at Brantford, I can say that there are few of those Indians who want to vote. I do not think this government is giving them anything when it gives them the vote but takes away another right. Those Indians who feel that they should have the vote want that right without any strings attached to it.

The mere fact that the Indian is exempt from the payment of income tax on income earned on the reserve makes very few exempt from that tax. In most cases the money is earned off the reserve. As I said before the Indians pay every other tax we pay when they earn money off the reserve, yet they do not have a vote. Those Indians who served in the armed forces have the vote, and it was only in 1948 that their wives were given the privilege of voting. The government is putting these Indians in a class by themselves, because the Eskimo is being given the vote without any strings attached to it. The Indian is not being given the vote unless he gives up one of those things which he feels he has earned. I think that is unjust. Have the Indians been asked what they think about this? Has this change in the act ever been referred to them?

An hon. Member: Certainly they have.

Mr. Charlton: Will the minister answer that?

Mr. Harris (Grey-Bruce): Yes, I shall when the hon. member has finished.

Mr. Fulford: There is one question that bothers me in connection with giving the Indian the right to vote. By treaty the Indians have the right to cross the international boundary without let or hindrance. The Indians at the Caughnawaga reserve near Montreal, and a fine lot of people they are, go all over the United States and Canada building the framework of bridges and skyscrapers. They seem to be singularly free of the fear of great heights. I watched them building the Thousand Islands bridge, running along the catwalk with hundred pound kegs of rivets on their shoulders. They earn fairly satisfactory incomes from this type of work. The question in my mind is, if they accept the vote I assume they get full citizenship, so would they lose the right to cross the international boundary without let or hindrance?

Mr. Green: Mr. Chairman, I opened this discussion and I am going to move an amendment to the act. I move:

That the following be substituted for clauses (2) and (3) of section 1 of bill 311:

(2) Paragraph (f) of subsection 2 of section 14 of the Dominion Elections Act, 1938, chapter 46 of the statutes of 1938 is repealed.

As I read the act, the result of that amendment would be to give Canadian Indians the vote in general in the same way as the Eskimos are now being given the vote. I think there has been a lot of dodging the

issue here, in some of the remarks made against this measure. I would ask the member for Skeena to explain whether or not he thinks the British Columbia legislature made a mistake in giving the Indians of our province the vote recently? The argument he made would apply to the provincial vote as well as the federal.

Mr. Applewhaite: Are you asking me?

Mr. Green: Yes.

Mr. Applewhaite: The answer, of course, is that the Indians are not the wards of the government of British Columbia.

Mr. Green: That was not the argument that was used by the hon. member in making his speech; he did not even mention that. When we get down to this question of wards we are getting on rather thin ground, because there are a lot of people today who are getting assistance from the dominion government and yet they have the vote. I repeat there is no reason why the Indians of Canada should not be given the vote at this time.

Mr. Harris (Grey-Bruce): Mr. Chairman, I perhaps did not make the position clear in the short answer I made to the hon. member for Calgary West. The situation in the past has been this, that the Indians not resident on the reserve could vote at the federal elections. The Indians on the reserve could not vote, except veterans and their wives. We start with that, and go back three or four years to the time when the Indian Act committee was sitting. A great many Indians and Indian organizations appeared before the committee, and discussed the desirability of having all Indians vote in the federal election. My recollection is that there were 74 different representations made by Indian groups, bands or associations. Of the seventy-four, forty-nine said they did not want the vote, and twenty-five said they did. Of course, a number of qualifications were expressed. Some said quite distinctly that they were not citizens of Canada, did not desire to be citizens, and would take no part in the affairs of the country if they were given the opportunity. Others said they might consider becoming citizens and exercising the vote if their treaty rights were upheld. Some were afraid their treaty rights would perhaps not be observed if they were brought under the ordinary rules which apply to all of us.

It must be remembered that the Indian Act, in order to protect the Indian from, shall we say, economic distress in the early days, has always exempted the Indian on the reserve from paying personal property tax and real estate tax. That provision is in the present Indian Act, and is continued in the Indian bill which was introduced two weeks ago. Now, having those things in mind, and desiring to assist the Indian to become a full citizen of Canada, the government concluded that it would be desirable to give all Indians the vote, but it was not desirable that they should retain the exemption from personal property tax which they now enjoy under the Indian Act. Under these conditions one, two or three courses could be adopted. We could eliminate the personal property exemption in the Indian Act, if we desired, and give the vote at the same time; we could give the vote and retain the personal property exemption; or we could do as we have done. We have left it with the Indian to make his choice. The first lesson in Canadian citizenship surely is that we should all be equal with regard to paying taxes. With that thought in mind, this amendment was drafted and the result will simply be this. As formerly, all Indians off reserves may vote. Indians on reserves may retain their personal property tax exemption if they desire it, by not waiving their exemption, and consequently not having the vote. But we would hope, and I think probably the result will be, that a large number of Indians will sign this waiver of exemption, because they realize that if they desire to have a voice in sending a representative to the House of Commons, who will in turn impose taxes on them, no doubt, they therefore should subject themselves to the same kind of taxation as every member of the house is at the present time obliged to do. It has often been said—and I think some of the hon. members opposite and perhaps some on this side have said it—that the Indian was a second-grade citizen at the moment. Without admitting that, I hope the house will understand that we are trying to make him an equal citizen; but I do not think we should go one step further and make him a preferred citizen as against all others in the community.

With respect to the Eskimo, the difference is not that which has been made by the hon. member. The Eskimo is being given the vote because, under some conditions, he has shown his ability to exercise that proper judgment which we would expect of an elector. He is not exempt from taxation, as the Indian is. If he were, we would remove that exemption in the same way as we are removing it with respect to the Indian. If an Eskimo is in receipt of income sufficient to pay the present income tax, he will pay it. There is no question about that. There is no exemption at all. If I have not made this clear, I am sorry; but I would think that the committee would agree with me that this is the first step toward bringing the Indian within the influence of parliament and to bringing

parliament within the influence of the Indian: by giving the vote to the Indian on the reserve on precisely the same terms as other Canadians receive it.

Mr. Drew: I think there is a point touched on by the hon. member for Brant-Wentworth (Mr. Charlton) which is not sufficiently clear in the remarks that have been made by the minister; and I am not suggesting for a moment that the minister is not seeking to make it clear. But this is not a case of giving certain Indians a special exemption as a favour. We must go back to why the Indians were exempted from income tax or from any other taxes with regard to anything that they earn on the reserve. The Indians gave up their ancient claims to rich and valuable lands and it was part of a treaty between the Indians as tribes and the government of Canada. Under those treaties the Indians gave up rights which they believed were real. In return the dominion government, as its part of the treaty obligation, undertook to provide certain reserved areas where the Indians could live; undertook to give the Indians certain annual payments, both in kind and in cash; and also exempted them from taxation on such earnings as they might make on those reserves.

Mr. Harris (Grey-Bruce): But not by treaty.

Mr. Drew: The exemption which relates to taxes was the carrying forward of a principle which was inherent in the relationship. The very fact that it is an exemption in relation to what they earn on the reserves indicates that it was in relation to their position on the reserves which is a position created under those earlier rights.

No Indian is exempt in respect of any money he earns outside the reserve itself. There is a real reason why similar treaties were not made with the Eskimos. At the moment it is difficult to imagine that the areas occupied by the Eskimos had a substantial land value. Conceivably, at some future time, minerals may be discovered in some of the Eskimo areas, although that has not yet happened so far as I know. But it was an entirely different type of country. The Indians were giving up rights in the parts of the country, to a very considerable extent, that were the most productive. The Eskimo's situation was different. It seems that in this particular case the Indian is called upon to pay on anything that he earns outside the reserve, without any waiver; and I can only feel that while no unfairness may have been intended, that is what is actually resulting from a proposal of this kind and that we are asking the Indians on the reserve to pay for the right to vote. I do not think that is consistent with our whole approach to this situation and I therefore think that the motion that has been made to amend the section is in keeping with the history of this situation and with the broad approach to the problem.

[Mr. Harris (Grey-Bruce).]

Mr. Coldwell: I think there is one satisfactory feature about the discussion here this afternoon, Mr. Speaker. This is the first time that I can remember that this topic has been the source of so much discussion on both sides of the house, and I think that is a good thing. Perhaps it stems from the work of the Indian affairs committee of a couple of years ago and the fact that we are going to enact, I hope, a much more progressive Indian Act than we have had heretofore.

Whatever may be said about the matter, I think there is a principle involved. That principle is that the inhabitants of this country, no matter of what colour, race or creed, should have the right to vote. I think that the amendment that has been proposed should be supported by the house at this time. I am greatly in sympathy with one suggestion made by the hon. member for Skeena (Mr. Applewhaite), that in the granting of the right to vote the house might consider Indian representation as such. I think that practice has worked out well in New Zealand, and I believe it would be a fine thing to have in this house Indian representation by people of their own who would put forward the claims of the Indians and assist this house in reaching a conclusion with regard to the Indian problem in this country. Of one thing I am convinced. Largely because the Indians had no vote, had no representation and therefore had no influence in this house, they have been neglected for a good many years. There is one other fear one might have, and that is that they might be subject to political manipulation and political influence. That is one danger in the present circumstances. But after all, those of us who have lived in this country for a long time know groups of people who came out, unfamiliar with Canadian citizenship, in the early years of this century, and who were subject to political influence and political manipulation for a time; but they grew out of that. While for a time perhaps it had a bad effect, yet in the long run the people who were given the franchise appreciated it and used it. They have become citizens interested in all aspects of our public life and today are not subject to the kind of influences that might be exercised on our Indian population at this time. Therefore I cannot believe that that danger, though it is there and might prove to be a

very real danger for the time being, is one that we can escape no matter when the Indians are enfranchised. After all, those of us who know very much about what is going on in the country know that a good many people who perhaps are unemployed momentarily, and so on, are subjected to a good deal of pressure at various times, not the least of which perhaps is today taking place in some parts of this country. I think the principle of the amendment should be supported by the committee.

Mr. Fair: I should like to ask the minister whether an individual Indian would have the privilege of waiving his taxation right, or whether all the band should do so?

Mr. Bradley: It is a personal privilege; any Indian who wishes personally to waive his right to exemption may do so.

Amendment negatived: yeas, 21; nays, 57.

Section agreed to.

On section 2—*Nomination day.*

Mr. Green: Can the minister explain whether representations were received from the returning officers in each of these ridings where the nomination day is now to be made twenty-eight days before the election instead of fourteen? I am interested of course particularly in the ridings of Cariboo and Skeena.

Mr. Bradley: I do not know whether any such representations were made to the electoral officer. They would go to the electoral officer and presumably to the committee. I do not know whether the chairman of the committee can tell us.

Mr. Green: I would like to know whether representations were received from the returning officers in these ridings, for example, Cariboo and Skeena in British Columbia.

Mr. Bradley: I have no knowledge of it, Mr. Chairman; that is all I can say at the moment.

Mr. Browne (St. John's West): The only difficulty that I recall in the committee was in connection with the two districts of Trinity-Conception and St. John's West. All the other districts are fairly large in area. For example, I believe the district of Port Arthur is 148,000 square miles in area, although it is not all populated. It was very sympathetically received. I believe the Saguenay is 640,000 square miles in area.

In the province of Newfoundland, as will be seen in the schedule, there are five ridings in which the nomination day is to be twenty-eight days before polling day. The chief discussion centred around whether St. John's West should be added to that list, because it is a district in which it is just as difficult to get around in wintertime as in Trinity-Conception. It is a larger constituency than Trinity-Conception, and although it seemed to be favoured by the Secretary of State, it was put to a vote and St. John's West was not included. I do not think there was any discussion on any of the other constituencies mentioned in the schedule.

Mr. Drew: I do think that the minister should give us some detailed explanation because as one looks at these constituencies that have been chosen it must be possible for him and hon. members generally to think of other constituencies which would present almost equal difficulties. If it is sound in one case, it may well be sound in another.

Certainly as I look at the constituencies in Ontario, and in fact at the constituencies in other provinces, I can think of several where the difficulties are quite as great. I would like to know the basis on which these have been chosen, what the yardstick was.

Mr. Bradley: Mr. Chairman, of course I cannot speak with any personal experience—

Mr. Drew: Who is going to, if the minister cannot?

Mr. Bradley: Possibly the leader of the opposition has had more extensive travels in Canada than I have. So far as I am concerned, I have received the representations from the committee; that is the report of the committee.

So far as the province of Newfoundland is concerned, I have some extensive personal knowledge, at least of the northern portion of the island. I have little or no knowledge of the outlying portion of the district of St. John's West. I would be rather inclined to think that it ought to be included in the twenty-eight day period, but the hon. member for St. John's West did not seem to think so, and I bow to his superior knowledge on the subject. I know St. John's East does not require twenty-eight days. I know equally well that all the others do. I know this from personal experience.

So far as the rest of Canada is concerned, I am afraid I have no personal knowledge of it whatever. I have just simply taken the recommendations of the committee, where I assume these matters were fully discussed.

Mr. Drew: The minister has been very fair in explaining that in the very nature of things he has not yet had the opportunity to have a wide contact with some of the more distant constituencies of Canada. But he is acquiring knowledge and will acquire more as time goes on. In matters of this kind ministers must frequently present bills of

which they are not expected to have a personal knowledge. It does seem to me that when the house is asked to pass on a thing so important as this the minister should have an explanation as to why these particular constituencies have been chosen, and other constituencies which would seem to present equal problems have been omitted. It may be that there are reasons for increasing the time in this case. But as I look at this I can find some difficulty in understanding why Port Arthur would be so much more difficult than Fort William. I know it does cover a larger area, but both are very large constituencies. Coming farther east we reach the constituency that includes Sault Ste. Marie, which is an enormous one with tremendous travel difficulties involved. I can think of constituency after constituency in northern Ontario that I should think would present as great problems from the time point of view as those mentioned in the bill before us.

Looking at the constituencies in the province of Quebec, I should think that there are constituencies in addition to Chapleau and Saguenay that are almost as difficult to cover within the time factor mentioned as these would be. From whatever source he can obtain information, I think the minister should explain the yardstick used.

Mr. MacDougall: Mr. Chairman, I was a member of the committee and I might say that this whole problem was seriously considered there. It is in line with the thinking of members of the committee, and also reports given by the various returning officers in northern ridings that the time is extended from fourteen to twenty-eight days. It might be of interest to hon. members to know that those ridings where it is now recommended the twenty-eight day provision prevail are northern ridings.

In my own province of British Columbia they are the ridings of Cariboo and Skeena. Then in the Yukon area there is the riding of Yukon-Mackenzie River. Going over to Saskatchewan we find the same thing, that this provision is applied to the northern large-area ridings which are not as densely populated as the ridings farther to the south. The same applies in the other provinces where the committee has considered extending the time between nomination and polling day from fourteen to twenty-eight days.

Getting down to our new province of Newfoundland, the question of having twenty-eight days for all the ridings in that province was considered. I know that, because I made the motion myself in committee. It was generally considered, even by the hon. member for St. John's West, that twenty-eight days in his riding was too long a time. He did feel however that possibly an extension from fourteen to twenty-one days would meet the problem more adequately.

I believe it is fair to say that in this whole matter of extending the time from fourteen to twenty-eight days there was unanimous opinion in the committee, including the hon. member for St. John's West. The extension of time has been allotted to those vast areas in the northern part of Canada, where the population is not great and the opportunities for travel and transportation are much less than in other ridings. Members of the committee were in agreement that the extension should be given in the various constituencies set out in the schedule. I believe it is fair to say that the committee was happy to go along with the recommendations. The report from the committee is self-explanatory and well-nigh unanimous.

Mr. McIvor: I can understand why a longer time would be required in the constituency of Port Arthur than in Fort William. The latter is more compact, but it would be impossible to cover Port Arthur riding in the same time. I believe it would take twice as long. In my opinion the schedule is a reasonable one.

Mr. Harris (Grey-Bruce): Perhaps I might add a word of explanation. In the old act there was only one constituency which made provision for the twenty-eight day period. This schedule is the result of the experience of the last general election and, with the exception of the one riding of Cariboo—

Mr. Browne (St. John's West): And Jasper-Edson.

Mr. Harris (Grey-Bruce): —yes, and Jasper-Edson, is the result of the recommendation of the chief electoral officer.

Mr. Drew: Mr. Chairman, that is exactly the kind of information I was trying to get. If the chief electoral officer has made recommendations in regard to specific ridings, with the exception of the two that were added later, then the position is somewhat different, because I believe I am expressing what I know to be the view of members generally in the House of Commons when I say that we have a highly competent chief electoral officer. He would base his recommendation upon his experience in connection with these constituencies.

There is however this point I should like to place before hon. members. This twenty-eight day period brings the formal date of nomination very close to the issue of the writ. In making any amendment, no matter with

what feeling of comfortable assurance any party may occupy its place in the house at the moment, it must be kept in mind that amendments are made for the long term, with the expectation that they will apply to any situation in the house.

Without any suggestion of any impropriety or otherwise, it is certainly obvious that a government must know, well in advance of the day that it is going to issue a writ, that such a writ is to be issued. Consequently it is in a position to take certain steps, without doing anything wrong at all, whereas those parties who are not aware of the date are confronted with the fact that very little time remains between the date of the issue of the writ and the formal date of nomination. With the time of the issue of the writ being the same a situation is created where, in the ordinary course of events, the government has a distinct advantage, whatever that government may be. I suggest that hon. members should consider this carefully, since we are examining this from the point of view of legislation which should be satisfactory no matter which party is in power.

Mr. Harris (Grey-Bruce): I think the leader of the opposition must have been reading the remarks I made in committee, because I urged the point he has just made, in attempting to keep down the number of ridings in which there would be a twenty-eight day period.

Mr. Drew: Is twenty-one days not adequate for these new ridings?

Mr. Harris (Grey-Bruce): Apparently not. That was canvassed with the chief electoral officer, and he stood by his recommendation of twenty-eight days.

Mr. Gibson: When this matter was being considered was the committee aware of the fact that the franchise was being extended to Eskimos? That will present great problems in the administration of the act. It will place serious strains upon the election machinery.

Mr. Smith (Calgary West): We have mukluks in the machinery now.

Section agreed to.

Sections 3 and 4 agreed to.

Bill reported, read the third time and passed.

SUPPLY

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

PRIME MINISTER'S OFFICE

275. Salaries of staff and allowances, $124,260.

Item stands.

DEPARTMENT OF LABOUR

General administration—

150. Departmental administration, $540,260.

Mr. Smith (Calgary West): I intend to make somewhat extended remarks on this item which I think will help to have the items passed much more expeditiously. May I suggest that you call it six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

An hon. Member: Carried.

Mr. Smith (Calgary West): Mr. Chairman, as I rose I thought I heard a voice call "Carried". Apparently the owner of that voice had not heard from Annapolis-Kings. If the minister detects an undertone of confidence in my voice I am sure he will the more appreciate, in a kindly way, what I have to say.

Just before the dinner adjournment I indicated that I intended to speak on industrial relations at perhaps greater length than is my custom. On this, the first occasion on which any of us has had anything to say with respect to labour relations, I intend to review as best I can the progress and development in this important field, including a bit of history and dealing with the present position, and to examine what I regard as certain trends which in my judgment augur well for the future.

I believe it will assist our understanding of the problem if we are conscious to some extent of the history of these developments. It is within the memory of many of us in this committee, for example, as to when the first large labour federation was formed. For a great many years we have had craft unions, which have confined themselves to the business of particular crafts. The I.T.U. or typographical union is an example of this; and it continues, as do many others, as a craft union. But it seems to me interesting to recall that the American federation of labor, the first organization to gather under its wing many craft organizations, was formed in our own time, in the city of Chicago, by Samuel Gompers, a little Welshman less than five feet tall, who came to the United States as an immigrant. I am sure many of us have forgotten that the brother organization, the committee for industrial organization, did not come into being until a comparatively few years ago, in 1931 if my memory serves me correctly.

Two men had much to do with that organization. John L. Lewis had his united mine workers of America, which in the beginning had a membership engaged only in the craft of coal mining. That was the first union to extend its operations to the unionization of projects or industries on an industrial basis. By that I mean that in a coal mine in Canada today, all persons engaged in that industry belong to the united mine workers of America including the carpenters—and there are many in a mine—the drivers, the machinists, the tipple men, and so on. In British Columbia the organization extends to include also railway employees, because the company that owns the mines operates its own railway in the Nanaimo area.

It is of some interest historically that Mr. Lewis sent Philip Murray into the steel plants to organize that industry on the same basis, and Philip Murray became the first president of that second large labour organization, the congress of industrial organizations or, as it is commonly known, the C.I.O. It is also of passing but not great interest that Lewis later threw Philip Murray out of the united mine workers, the charge against him being dual unionism. In other words Murray, originally a member of the coal miners' organization, being sent out by the president of the miners to do a job of steel organization, then was expelled from the U.M.W. of A. because of dual unionism, the duality being the steelworkers and the coalminers. That organization had a tremendous growth and marks, I think, the greatest change within organized labour. I refer, of course, to the business of organizing in one union the various craftsmen engaged in carrying on the work of a particular industry.

In Canada we have two companion organizations. The C.C.L. is the child, or perhaps I should more properly dignify it by saying that the C.C.L. is a partner of the new organization in the United States, the C.I.O. That, within unionism itself, it seems to me indicates the greatest change that has taken place within those organizations.

Everyone will say, and certainly the newspapers do, that certain individuals have been given too much power; that may or may not be true. I think the man picked on most by commentators, editorialists, and so on, without complete knowledge on their part, is John L. Lewis. They have gone altogether too far, and made many charges against that man which are without justification. While realizing that the leader of the united mine workers has committed excesses, I am unable to forget the great elevation that he has given to his men and their families in matters of daily living; and particularly in matters permitting the parents and children to receive a proper education which fitted them to go forth into the world, and take their part in the struggle for existence. Let no one think that I am condoning, for example, this simple fact: Within the last year or two that one man has held a nation, yes even a continent, in fear. It seems to me that is an example of absolute power perhaps growing and feeding on itself, and thus doing things which in a democracy we cannot condone. We are hoping the day has gone when any individual controlling an organization of any kind can hold a continent in fear, and hold perhaps its future for a time at least in the hollow of his hand.

When I say that neither am I going to forget that industry itself, in that same period, was guilty of excesses. I do not think anyone in this House of Commons who had read Mr. McGregor's report on the bread-baking industry, the flour industry, the rubber industry or the glass industry, could for one moment say that in those cases industry has been altogether altruistic in its outlook. I believe that is true of some industries not yet examined. That brings us in these matters to the point where it is necessary that legislatures and parliaments take a hand, because only in legislatures and parliaments do we find a system of some control of excesses of this and other kinds. So we come back historically to this. Why have we organized labour? I have said before, and I repeat tonight, the reason is that, up to some years ago, industry regarded labour merely as an intake product. My reading of the history of the labour movement is that labour organized in self-defence. I am not suggesting for a moment that that was necessary, but I do say it was something which expedited the growth of unionism. So I now repeat what I said the first day that I came to this House of Commons: I believe in organized labour. I add that I believe in strong unions.

We all say here that we believe in collective bargaining. That is something which has been adopted in our own legislation, and in the legislation of every province in Canada. But, Mr. Chairman, we are speaking with our tongue in our cheek if we do not add that we believe in the bargaining between industry and strong unions, because without that collective bargaining has no meaning. There can be no proper collective bargaining except between equals or people who are nearly equal. The day has long since gone by when labour received something as a matter of generosity. Let me say this: I am sorry to say what I have because I know there are some institutions, large employers of labour, that are not unionized or being unionized. They have never had any difficulty. I think perhaps

one of the great examples on this continent is Lever Brothers, the largest manufacturers of soap on this continent. So that struggle, so to speak, was forced on a great many of our people simply by circumstance. But that which was at the bottom of labour organizations was the greatest circumstance in the world, enough to eat, a place to live in, and an opportunity to bring up a family, not in fear of starvation but with some opportunity.

We all say we should live in fear of God. How can that be done if you and your children are hungry? So, today we have reached a position where we have at least strong unions. I am going to say that I think that has gone as far as it should go. I know there are many people who, when they find difficulty in this or other civilized countries, say that there should be a law: "that should not be, we must have a law." Mr. Chairman, I want to make it plain that there are many things which law can do, but there are also many things which law simply cannot do. Take a simple illustration. You cannot make a woman sing, nor can you make a man work. All that law can do is to say if you do not do so and so, then you will be subject to certain penalties. That is the most that law can do anywhere. Leaving our legislation as general as possible along those lines seems to me the best method; and I intend to quote some cases which I think prove that we should have our industrial legislation in rather general terms.

At the present time we find labour well organized. What have been its gains? In numbers during the last war the gains have been tremendous. We find today labour organizations which until a few years ago were undreamed of. I give you as the best example the largest union on the North American continent, the automobile workers' union. I am glad to see the tremendous growth they have had, and before I have finished I intend to mention what I think is a great achievement of statesmanship between that union led by Walter Reuther and the General Motors Company, the largest employers of labour in the United States of America.

I want to make this fact plain. Labour properly began to raise wages. To do what? To get its share of the profit dollar of industry; because without the profit dollar there cannot be dividends and neither can there be wages. To me one of the most significant things happened just a few years ago where three men met. They were Eric Johnston, who was then president of the United States chamber of commerce; Philip Murray, the head of the C.I.O.; and Mr. Green, head of the A.F. of L. They gave us a seven-point program for progress in American industry. But all three agreed and affirmed the profit motive in industry. We do not hear much of it lately—and you do not hear of it at all in the United States—but some people here, the C.I.O. for example, use this catch phrase: Production for use and not for profit. Only in Canada on this continent do you hear anything of that. For a time in the United States, in election after election, Mr. Eugene Debs, the socialist candidate ran. He polled an insignificant number of votes. In late years it has been Mr. Thomas. But their polling of votes is so insignificant as not to be a factor in politics over there.

I mention that fact because they have affirmed the profit motive as the principle which makes industry tick and which therefore makes production grow, and without which we all know there can be neither money to pay wages nor money to pay dividends. In saying that I know that I am not asserting any new principle but am affirming an extremely old one. What does it mean? It means that both parties are entitled to a fair share of that profit dollar; but it also means that both parties must pull their oars in the production boat in order to entitle them to any share of that profit dollar.

We can all remember—and I am sure the minister remembers it well—that in the old days the great battle was based on an hourly wage or a daily wage. That is still true. I advised some people in labour with whom I was quite closely associated for some time that I thought they were wrong. I still think so. I am sorry to say that in these industrial matters we are still battling over so much an hour, so much a day or so much a week. It seems to me the principle which we must find, and we have not reached it yet, is one whereby the man who sells his labour can find some means of not eating roast beef when business is good and starving the rest of the time; surely we can find some system whereby that individual can eat with his family over twelve months of the year as long as there are twelve months in a year. I am not saying offhand that therefore any industry must provide a living—and by a living I do not mean an existence; I mean a decent living. All industries cannot provide those wages for a twelve-month period because having regard to climatic conditions, and having regard often to the product which is produced, we cannot bring everything to that basis. But it seems to me that the job of industry is this, and I include farming; I include every instrument from a spade to a tractor: the things which are produced. Without shifting labour all over the country when this industry closes or when that industry

closes, the nearer we can get to finding a twelve-month basis on which to obtain our labour forces, then, in my judgment, while we may not have reached the millennium, we have made an approach to it. We then will have laid the foundation for a lasting peace in industrial relations.

Speaking again of this profit dollar—a profit dollar in industry for whom? I give this thought to the house, not in any sense urging it strongly, but it seems to me we have advances to make on that basis. Surely industry and labour within itself can find some means of giving labour a greater portion of that profit dollar as profits increase instead of all of us being bound by this so much an hour, so much a day, so much a week business.

As to those of us who say in our economics that we believe in the profit motive, let us think: Profit for whom? Let us have profit for whom? Surely not only for the person who owns the plant. Surely we must in some way or other include those hundreds of thousands of people who are engaged in the operation of that plant, and I use the word "plant" in its broadest sense. Surely we must realize that they are part of the profit system; and, when justified by larger profits, they are entitled to a larger share of that profit dollar.

Now I come to this point. Some hard-headed people will tell me that I am theoretical, idealistic, that I am talking about something that I know nothing about. In answer to that I say this. The scheme in which I am so interested, not advocating, is a matter for study by this house and by those in authority in the department. It seems to me to be so important that we should raise our sights a little and not confine ourselves to the minimum way. We are now raising hourly wages in cents, and so on. Taking the long view we should seek a system whereby we will not have these uprisings and stirrings every month or so. We should endeavour to have the long view and get on a long basis.

I notice some people smiling; therefore I am going to give an example of progress in the very thing that I am talking about. I think the agreement arrived at the other day between the automobile workers and General Motors marks an important milestone in the history of negotiations, of settlement between labour and industry. It is too recent for anyone to have forgotten. The point I emphasize is this. It is a settlement on a five-year basis. After all the struggle and trouble that we have been through, to my mind that is the finest trend—if it marks a trend, and I think it does—in the settlement of these relations.

I confess that General Motors must have a deep consciousness of conviction that things economically in the United States are not going to pot, that they are going to progress; because in the arrangements which they have made, aside from pension benefits or other benefits, they have arranged for an hourly increase in pay during the life of that agreement. But then, what do they get in return? They get peace; they get enthusiasm in their working force. In my judgment that is a tremendous advance in labour relations as we know them on this continent. I hope and I trust that that example may be followed in many other industries because we are arriving somewhere. But, Mr. Chairman, aside from all these material things, aside from picking this and that and the other thing out, I think what it has demonstrated above all is that it shows what can be accomplished. By whom? By men of good will. You will never get anywhere in these things as long as you have some individual who just says: "They are all wrong about that" and who sits there. I have seen some labour negotiations; and when I speak of this good will I bring it down in its application to something of which I have some knowledge.

I have seen this happen; in fact it nearly always happens. I know that, in contracts made by the industries in Alberta and in British Columbia with the united mine workers, it is going to take at least three days before they get anywhere. Everybody knows that. They meet the first day. One side states its ultimatum and the other side gives you its ultimatum, made a little tougher perhaps, because of what the first fellow has said. And then we all go home. Well, perhaps some of us do not go home. We may stay in the hotel or something of that kind. A buys B a cigar; C may buy D his dinner. Do not think that labour is broke any more. I am happy to know that they stay at the best hotels in the country, as they should. They stay in the same place as the people with whom they are negotiating. I would not suggest—

Mr. Major: Where the farmers should be able to stay.

Mr. Gibson: They go to California.

Mr. Smith (Calgary West): If I had the opportunity I would ask you to drive me in your Packard to Florida, but at the moment I am not going to ask you to do that.

I would not go so far as to say that one might buy the other a Coca-Cola particularly if the hon. member for Fort William were

around. The point I am trying to make is that they know the kind of men with whom they are dealing—and there are some men with whom we cannot deal; do not let us have any doubt about that, but there is usually a way of taking care of them, because in these affairs it is a majority-rule matter, the old democratic way which is in vogue in this chamber. I have seen it happen so often. One side says: "I have read all sorts of things about that big shot. He is not such a bad fellow as I thought he was." Therefore this three-day rule in the coal business—and it is by custom a rule—is an excellent one, because by the time they get down to business and try to settle their contracts those engaged in the negotiations usually have come to the conclusion that their opposite numbers are human and are not such bad fellows after all. That is what conciliation is. That is why it is so wise that in practically all civilized countries we have come to rely on the help of conciliation. But again I repeat, sir, that conciliation can only take place between men of good will. Therefore it behooves all of us not to make snap or quick judgments when we read something in the paper about something that is happening in Tennessee, in the coal mines of West Virginia, in the theatres of Hollywood, and in the musicians' union somewhere else. Do not let us rush to conclusions. Before we make up our minds let us get both sides of the picture and hope that from then on negotations will be conducted by men of good will.

I intend to say a word about the future; and I intend to mention some trends through events that have happened in my own time which I think augur well for the future. I have already said, sir, that these organizations came into being in the time of many of us who are sitting in this house. But I am going to enumerate two or three things that have happened, and that is by legislation, in favour of labour. The first I mention is workmen's compensation which, I believe, is in all the provinces of Canada. The next is unemployment insurance. Let no one try to deny that those are advances on the humanitarian side of the problem I have been discussing.

Today in industrial organizations we have personnel men. Some of them are good and some of them, I know, are bad; the human factor never attains perfection. But only fifteen years ago who in this chamber this evening would have heard of a man's being paid money to act as a personnel man in dealing with employees?

We have many things of that kind. For instance, we have pension plans. There are between 600,000 and 700,000 labourers under such plans, if I remember correctly—and I am proud of the word "labourer"; do not ever think that I am using that word in any sneering fashion. There are that many labourers who are taking advantage of industrial pension schemes which have developed as a result of agreement between themselves and their employers. In most cases both employer and employee make contributions to the funds thus set up which ultimately result in pensions for individuals.

Then there are thrift plans, savings plans, in many organizations today. None of us in this room ever heard of such schemes as far back as, let us say, fifteen years ago. So the point I am trying to make is that it seems to me industry has learned its lesson and now regards labour from the humanitarian standpoint, where formerly it did no such thing.

Let us take a look at labour-management committees. I know many of us think that those are grievance committees. They are not, at all. The minute a labour-management committee becomes a grievance committee it loses its usefulness. It is true that in all labour contracts today, or practically all of them, grievance procedure is set out. There are some difficulties in some industries as to when and where a man may consult his grievance officers—"grievance steward", I believe is the term used. I mention these things only to show the advances which have been made within the organizations themselves.

Now my time has expired.

Mr. Mitchell: Carry on.

Mr. Smith (Calgary West): May I mention one thing which I believe is of importance to all of us—and in this I pay the greatest possible compliment to organized labour that I am capable of paying. I refer to organized labour ridding itself of communist leadership. Mr. Chairman, that was not easy. Walter Reuther has only one useful arm today because of the job he did in that cause. Remember, it required not only moral but also physical courage. I wonder how many hon. members know the type of letters that fellows I know so well—Pat Conroy, for instance—have received when doing what he and his fellow officers have done in getting rid of men like Jackson, the head of the electrical workers in this country. It is no sissy business those men are engaged in.

Mr. Mitchell: You're telling me!

Mr. Smith (Calgary West): So far as I am concerned, I hope none of us ever again, when the word "communism" is mentioned, will think of labour without remembering that organized labour has done more than any other agency, and done it more effectively, to stem the rust of communism in this country.

Let me refer to one other thing—and that only for a moment, because I know that today coal miners get good wages. I have been underground in many mines. So far as I am concerned, they cannot be paid too much; that is no place for me.

Today in the town of Cadomin there are five men, all of them with families, who are buried in the rocks and muck from a flash flood in the Cadomin mine. So, never again let us listen to anyone who says, "Oh, those so-and-so miners, they are getting $14 a day"—or they are getting this, that or the other thing. True, economically these things can and do get out of line. But let us never forget that today there are five widows and fifteen or twenty kids standing at the pithead at Cadomin waiting until the emaciated and smashed remains of their fathers and the providers for those families come to the surface.

Let us also not forget that in the town of Nordegg, where I personally have stood and counted the graves of thirty-nine men killed in the mine, the town is today burned out. I do not know how many were employed there —perhaps three or four hundred. But all there is in that town of Nordegg is the Brasseau mine, and the mine cannot possibly operate again for six months. So far as I am concerned, I hope those men have been paid enough money so that they can get by until the opportunity to work again comes to them. I hope they have been getting enough to make savings of that kind.

I close with this: Having regard to the ladder of progress I have mentioned, much of it as a result of legislative action by parliaments or legislatures, in the over-all picture I cannot help being optimistic. Anyone who has compared the present situation with what it was twenty-five years ago, and has not marked the improvement, must indeed be a pessimist. And so in this Dominion of Canada, sitting as we do on the finest resources left in this world, and with a good machine for employment, and with a strong and virile labouring force, and with humanitarianism at last in the minds of management, he must be a pessimist indeed who falters after looking at the bright sunshine which sheds its rays on our industrial Canada, and all men of good will engaged therein.

Mr. Gillis: Mr. Chairman, I thought that we were intended to discuss the estimates of the Department of Labour tonight. I have never attempted to weary the house by holding a post mortem on the development of labour in Canada, but after listening to the hon. member for Calgary West for the last hour my thoughts were provoked back to matters that I like to forget. I am going to say a few words about the statement the hon. member has just made. If he reads it tomorrow I think he will find it rather difficult to know on which side he is. I was reminded of a lot of speeches made by the former prime minister. He would nearly say something in one paragraph, he would change it in the next and then he would finish up by not having said very much about anything.

One thing in the hon. member's remarks that stuck in my mind was the statement that all the advances in the field of labour in this country had been brought about by legislative means. With that I disagree completely. I can remember the efforts made to organize labour in this country for a long time back, and that was not as a payroller but as one of the rank and file who can take some credit for the basic organization of labour.

When the hon. member makes a statement that we have gone a long way and that labour is well organized in this country, that statement is not correct. Out of a total potential trade union membership of five million there are only about two million workers organized. There are still three million unorganized workers in this country.

Mr. Mitchell: How many were there in 1939?

Mr. Gillis: The basic organization of labour was not brought about by the legislatures or by this House of Commons. Unionism in its early days had no friends in the legislatures or in the House of Commons. The war periods gave labour the opportunity to organize. I can remember before the first war helping a lot of men, who never got their names in the newspapers, set up the basic organization of the mine workers union in Nova Scotia. They would allow you to fool around with the provincial machine that did not mean very much, but I can remember seeing Nova Scotia barb-wired in 1909 when the united mine workers attempted to come into that province for the purpose of setting up international unionism in Canada to replace the company organization that was functioning at that time.

I can remember sitting in a hall and seeing company stooges shoot potential union men for no other reason than that they were union men. I heard no protests at that time, either in the legislature or in the House of Commons. The people who did the shooting were never even tried. I can remember seeing women and children thrown out on the streets and having to live in tents or in the basements of churches for months and

months. Even after that struggle the union was denied the right of recognition by the operators in that province.

Our first break came during the war of 1914 to 1918. I can remember before 1914 that I was fired a dozen times because I had put my name on a card showing that I had joined an organization. That state of affairs existed in Nova Scotia in 1914 and 1915. During the war period the mine workers came in and in 1919 they were able to set up their organization and succeed in getting a contract and absorbing the provincial organization. We had no legislation then and we had no friends to speak for us, either in the legislature or in the House of Commons.

I can remember when the trade union was recognized by the operators, but we still had no legislation. It was not until 1925 that we had our first trade union act in that time which was forced through by the opposition. The then leader of the C.C.F. party, Mr. J. S. Woodsworth, sent a draft bill to Nova Scotia setting out what he thought a trade union act should be. I was president of one of the organizations and I can remember forming committees and bombarding the legislature on the eve of an election. The leader of the opposition introduced the bill into the legislature and the government could not afford to ignore it. They took the draft bill and amended it to include the check-off privileges.

The hon. member went on to say that we had unemployment insurance. When did we get it? We got it after a struggle of 25 years by those who were organized in this country. On the eve of the last war we got the Unemployment Insurance Act. Then the hon. member said that we have compensation, that it was handed to us on a plate. We got a compensation act in Nova Scotia in 1917, in the midst of a war.

Mr. Homuth: We had ours in Ontario long before that.

Mr. Gillis: I am referring to Nova Scotia because that is what I know about. The hon. member spoke about personnel management. We got that only in the last war.

Mr. Mitchell: From the government.

Mr. Gillis: I am ready to give credit when credit is coming to you. You went along with it, you developed the mechanics, but we did not get it until the last war.

Mr. Ferrie: Was it not worth fighting for?

Mr. Gillis: The hon. member did not do much fighting for it. The same thing applies to labour-management committees. I am not criticizing the government; I am simply answering the statements made, intentionally or otherwise, by the hon. member for Calgary West, that all the progress in the field of labour relations in this country was handed to labour on a platter by the legislatures and the House of Commons.

Mr. Homuth: No.

Mr. Smith (Calgary West): On a question of privilege, I know the hon. member would not misquote me intentionally. I never said anything of the kind. I said that various improvements had come about through legislation. I did not say that it was handed on a platter by anybody to anybody else. I gave the greatest credit in the world to union organization. I said also that they were forced into that position as a matter of defence and had made great strides. I know the hon. member would not deliberately misquote me but people are listening to him—he is worth listening to as a rule—and I know he would want to be correct.

Mr. Gillis: I have no intention of misquoting the hon. gentleman and I would not be saying what I am saying were it not for the fact that I think that anyone reading his speech in *Hansard* and knowing the history of labour and its struggles and sacrifices might be misled.

Mr. Smith (Calgary West): I will accept the judgment of the hon. member if he will read it.

Mr. Gillis: I am concerned about the fact that we are becoming complacent; we think the job is done. As far as I am concerned, I do not want to wait for another war in order to get into trade unionism those three million workers who are still unorganized. I don't want to kid the unorganized of this country that the labour department is going to send out people to organize them, or that anyone from this House of Commons will go out and organize them. The machinery is there now to make that work much easier than it was in the past, and the job must be done by the men in the field themselves. Their struggle is much easier than when we formed the basic organizations in this country a good many years ago. But it seems to take a war to break the jam and develop ideas that should be developed during peacetime so the machinery will be available if and when an emergency should hit the country.

I could go on and talk about this matter for hours but I do not want to; I want to try to forget that period in the development of the labour movement in this country. It does not bring back pleasant memories to me. What I really want to talk about tonight is the labour department, and first I want to tell the minister that he is not going to be

bothered much from this corner. In the first place the government sent the hon. member for Vancouver East to Geneva as an adviser on labour matters to the delegation that went there, and I compliment the minister on his judgment. He chose a man with very wide experience; but if he were here tonight he would be discussing these estimates. Another person who will not be here tonight is the hon. member for Winnipeg North Centre, who is in the committee that is trying to write a social security program.

As to the labour department, in the first place I recognize that the minister has a very capable organization. At the present time, owing to the fact that since the end of the war the labour relations picture has changed considerably as far as the federal department is concerned in that jurisdiction has been handed back to the provinces, the department is relatively free with the exception of conciliation and those workers coming under the national labour code, so there is not the pressure that existed during the war period. Nevertheless I want to say a word or two on some things that have to do with the dominion and the provinces.

The first thing I want to talk about is the fact that unemployment is still a responsibility of the federal government. I am not going to talk about the whole of Canada. There are hon. members here from the rest of Canada who can bring to the minister's attention what they think is wrong in that field; or if everything is all right they should tell him so. In the maritime provinces we have a permanent unemployment situation that is bad. In putting out figures on unemployment the federal government say that if more than five per cent of the working population is unemployed it spells danger and something must be done about it. That is the target they have set; that is what they consider dangerous. In the maritime provinces today we have some 57,000 unemployed, which according to government figures recently released is approximately ten per cent of the available working population. So the situation is twice as bad as it should be, according to the government's own analysis of unemployment. The over-all average across the country is about seven per cent.

The problem in the maritime provinces, mind you, is not regional or seasonal. The situation is bad. To some extent it was relieved following the end of the war by an arrangement under which the department took workers from the maritimes to the central provinces. During the past two years, however, there have been layoffs in Ontario and Quebec, and most of the people who were moved to the central provinces have found their way back to Nova Scotia, New Brunswick and Prince Edward Island. That problem is aggravated by the fact that thousands of young men and women are leaving school every year, and there is no possible chance of employment for them in that area. For the last twenty-five or thirty years the maritime provinces have sent an average of some fifteen thousand young people to the United States each year. That migration has been continuous over that period of time; it is still going on, and nothing is being done to change the situation.

I have heard a great deal of talk in the house about mechanization of the coal mines and steel plants. Mechanization does not relieve unemployment; it creates it. Every time you bring in a more perfect machine you step up production, lower costs and put more men and women on the street. If anyone thinks that mechanization of the steel plants and coal mines is going to relieve the unemployment problem in that area, he is wrong; it will increase it. It is difficult to find risk capital to go into that part of the country, but in the immediate post-war period the government did have a program. It tabled a white paper in the house in which it said it had ready and surveyed a shelf of public works in the different provinces, which would relieve the unemployment problem. Well, that public works program has been shelved. In my part of the country at least great hopes were placed on having the Canso bridge commenced this spring, but now I understand the provincial government has gone and thrown a monkey wrench into the machinery. The bridge was all mapped out; the plans were drawn for a 22-foot bridge. Then the provincial government decided it wanted a 24-foot bridge. That may be just an excuse—

Mr. Carroll: The provincial government did no such thing. This dominion parliament decided that the national highway would have to be 24 feet wide.

Mr. Gillis: I am not talking about the national highway; I am talking about the bridge across the strait of Canso.

Mr. Carroll: That is part of the highway.

Mr. Gillis: The Minister of Transport, for whom I have a good deal of respect and who I think is reasonably truthful, told the house in reply to a question I asked that as far as they were concerned the plans were drafted and the bridge was to be 22 feet wide. Now the provincial government have taken the position that they want a 24-foot bridge, and if that is the case the provincial government are the people who made the

decision. The Minister of Transport and the hon. member for Inverness-Richmond had better get together and decide who's who and what's what on that point.

Mr. Carroll: I suppose the hon. member knows that when the Canso bridge is built it will be part of the national highway.

Mr. Gillis: That makes no difference. The national highway is going to be four thousand miles long, and it is only one mile across the strait of Canso.

The Chairman: Order. I think this discussion is pretty far from the Department of Labour.

Mr. Gillis: Well, that is a matter of interpretation. I am talking about unemployment; I am talking about the government's public works program, and pointing out to the minister that this project would have employed a large number of people and taken the edge off that unemployment problem. I am not blaming the minister, but the matter has been messed up somewhere between Halifax and the Department of Transport. It is the same government, or governments of the same complexion; nevertheless that problem is still there.

I mention that project because it was something specific to which the people were looking forward, but the federal government had plans for other projects. Now it has decided not to go ahead with any of those works. That is the point I am coming to, that as far as this government is concerned it is now the responsibility of the provincial and municipal governments to devise ways and means of relieving unemployment. Any hon. member from the maritimes who will make an honest analysis of that problem in his own riding will tell you that neither the municipalities nor the provincial governments have either the capital or the technical people to carry on that work. It cannot be done. The planning must be done by the federal government, and a large part of the financing done here. In view of the fact that that particular angle of unemployment relief in that part of the country has been shelved, I am suggesting now to the Minister of Labour that some means should be found of assisting the municipality in doing something for the permanently unemployed people until there are other opportunities for them. I cannot see anything there for them at the present time.

The minister's department did make a gesture by providing supplementary allowances under the Unemployment Insurance Act. For a few months that helped, but it has run out and these people are back where they started. Some of these men have been idle for the last two years, and some even longer than that. Most of them are veterans of this war, and they have exhausted everything. The provincial government has a responsibility; there is no doubt about that. I wonder if the minister's department could not consult with the provincial government to see if something could not be done about the unemployment problem, either by going ahead with some of the public works projects or by extending the supplementary benefits under the Unemployment Insurance Act.

The second matter I wish to bring to the minister's attention concerns the employment offices across this country. They handle the unemployment insurance, and register the unemployed. I do not think those offices are serving the purpose they could serve in the field of unemployment. For example, they register the unemployed. They have their qualifications, their trade, and know how long they have been unemployed. I believe that seniority should govern in this matter, and the person who has been unemployed the longest, with due regard to family status, should be placed first. If the offices had a directive to that effect, I believe it would be carried out. What happens is that there is work for twenty or thirty men in a certain place. There are perhaps three thousand unemployed, or perhaps if it is like the city of Sydney there are five thousand in that one city. Instead of the employer taking his employees from the office that knows the circumstances and qualifications of each man, political pressure from the outside sends in a list, and that is the way the thing is done. The employment office has not the right to say that this man has been unemployed the longest, has family obligations, and his unemployment insurance has run out, so he should be employed first. It is not done that way.

Mr. Mitchell: If my hon. friend would permit a question concerning this political pressure from the outside, I should like to know, if there is political pressure on the employment offices from the outside, whether it is by my friend's party or my party or anyone. I should like to know that.

Mr. Gillis: The minister was probably in the house when I brought up the question specifically—

Mr. Mitchell: I am not being critical, you understand.

Mr. Gillis: No, but I brought this matter up with the Minister of Transport. I pointed out to him that, instead of the contractor at the local Sydney airport getting his men through the employment office, the men who were hired on that particular job had to go to the defeated federal and provincial candidate and

get a slip before they could secure employment. I suggested at that time that the Minister of Labour and the Minister of Transport should get together to see that government contracts have a clause written into them giving preference to veterans and preventing any kind of political skulduggery. I think the minister knows, and I think every member of this house who has an unemployment insurance office in his riding knows, that that kind of thing does happen. I know it is not the policy of the minister's department, but until such time as the offices are given some kind of instructions, and there is co-operation with the employer, that sort of thing will create friction and raise a question in the minds of the men who are standing in the queue looking for a job. The matter is not handled as it should be.

I should like to say to the minister that, so far as I am concerned, I do not want any favours in this matter. I do not make any recommendations, but any time a person comes to me and I can help him in any way his politics are immaterial. As long as he has the qualifications, I shall help him. The man who is unemployed the longest, who has the greatest family responsibility, as long as he has the qualifications to handle the position which may be vacant, is the one who should be employed first. I do not want to see it done in any other way. The employer is not co-operating as he should, particularly in the community from which I come. I say that because I know. They do not go to the office to seek their employees. They just pick and choose as they like in that coal and steel industry. During the war your offices served a useful purpose. An employer sent in his requirements, and the office filled them. When the war was over the employers got back to what they considered normal. The offices are able to do an excellent job if they receive the co-operation of the employer.

Another matter I should like to mention, because these are provincial-federal matters, is the matter of vocational training. There was a good job done in that field during the war, and I know the minister had an excellent staff. Since the end of the war a fairly good job has been done. I know of two spots in Nova Scotia where schools were operated jointly by the federal and provincial governments. Within the last few months I have seen press statements, and I have received wires, to the effect that the school at North Sydney was to be closed. It was doing an excellent job, not only in training veterans for employment after the war but in taking the young unemployed and training them in certain trades and skills, such as carpenters, bricklayers, masons and that kind of thing. The school was doing a good job in turning out fine tradesmen. My information is that within the last couple of months the federal government has withdrawn from that field. The provincial government takes the stand it is not going to maintain the school, so it is being closed. I suggest to the minister that those schools were doing excellent work. They are equipped, and good men were running them. For the small amount of money that it costs to keep those schools operating, I believe the closing of them should be reconsidered. From time to time I hear in the house, and I support it, about grants to universities; and how necessary it is to train everyone in the university. However, we shall want hewers of wood and drawers of water. If every one comes out of a university with a B.A. and wants a job with the government, or is a doctor or lawyer, there will be no one to exploit, so no one will have any money to pay these people.

If one goes to the unemployment offices in many sections, one finds a queue of young people outside. In the office there is a long list of requests for bricklayers, carpenters, and plasterers, but these people standing outside cannot fill those positions. There is a need for vocational training. The minister has faith in vocational training, I know. Instead of leaving the field, we should be expanding it.

Another matter I wish to take up with the minister is the fact that during the war—when there is a war on we can do a lot of things, and do them quickly—the minister's department established something I considered a long step forward. He established an apprenticeship in the coal mines of Nova Scotia. For the short time that that apprenticeship worked, it did an excellent job. It was praised in the highest way by the miners themselves. Many people think that, to be a coal miner, all you have to be able to do is to shovel coal. Coal mining is something which requires highly technical skill. In the coal mines of Nova Scotia, for example, you have to serve three years of apprenticeship underground and write two fairly stiff examinations before you qualify as a coal miner. You have got to know a good deal about ventilation, compressed air, roof pressures, electricity and things of that kind. You cannot learn that overnight; and you can go down there in a mine without any previous training and get your neck broken quickly.

The regulations in the coal mines of Nova Scotia are stiff. The minister's department established something that I thought was looking a long way to the future in those mines when he set up that apprenticeship in the mines of Nova Scotia; a young fellow went from the surface with experts who trained him for six months in all of the technique

of coal mining, and they could qualify him in six months to write his first examination and get his first papers. It takes him eighteen months to do that under ordinary circumstances and under exceedingly dangerous circumstances. But in effect they set up a school underground, and they were doing an excellent job and turned out a good type of miner. The miners themselves were all for it. I think the company agreed that the production of coal on those school faces was paying off the costs of training the trainee. But again, as soon as the war was over, that whole scheme folded up and was withdrawn. I am suggesting to the minister that, under Bill No. 217, you are loaning to the Dominion Coal Company in Nova Scotia some $7,500,000 to mechanize and to electrify the underground workings in those old collieries. If you can spend $7 million or $7,500,000 on equipment alone, you should be able to provide this training. It is a new type of equipment also, and it is a type of equipment such as the men going into these mines from now on should be trained in before they go in. That is in the interest of production and it is in the interest of everybody. I am making this suggestion to the minister now. I know that all of his department, the deputy minister and others, who worked on the vocational training end of the thing were all for this kind of thing. I know that the deputy minister in 1946 and in part of 1947 worked on and with the miners' unions and the coal company in Nova Scotia trying to continue that type of trainee program, but in the aftermath of the war they struck some stumbling blocks. I think perhaps the greatest one came from the company themselves. I suggest that that matter be given further study because it is necessary and it is in the interests of the industry. I am just leaving that thought with the minister again. Having regard to the small amount of money that that sort of thing cost—because in the final analysis it was not costing the company anything; the production from those school faces more than offset the cost of the training that was allocated to them—I suggest to the minister that he might take another look at this point that I mention.

I think the employment offices could be more effective if they had the co-operation of the employer or were given directives to handle unemployment on the basis of the longest out of a job, with the greatest number in the family, and got away from this idea of favouritism that exists in many of the offices across the country.

I am sorry that I occupied this amount of time. I did not intend to; and I want to assure the hon. member for Calgary West that I was not being critical of him. He just opened up a lot of old sores in my mind when he began to talk, and I like to forget the past, particularly that past, and look to the future.

Mr. Smith (Calgary West): Do they fire their shots? I was wondering about their skill.

Mr. Gillis: No. They have their fire bosses. I think too that labour has grown up. I think that in the two congresses of labour in this country you have as fine a body as exists in any country. Their work is difficult. To advance is the big problem. I think we have made many strides forward in the last twenty-five years. They were not easy strides. They were exceedingly painful ones in the early days.

Mr. Smith (Calgary West): They were.

Mr. Gillis: I think one of the best developments I have seen in the last few months has been the realization on the part of labour that they have nearly reached the saturation point in demands for wages and they are turning their attention to social security matters. But one of the longest steps forward was the signing of the long-term contract. I know that the miners in Nova Scotia always insisted on a one-year contract. I concluded a long time ago that it was not good for the simple reason that you spent about five months negotiating your agreement; by the time you got it signed up you had about six months to run and you were back into trouble again. It did not give the operator nor the union itself a chance to plan or to find out where they fitted in.

Mr. Smith (Calgary West): How true.

Mr. Gillis: In this last contract they got around to signing for two years. Over in the United States I think some of the industries have signed up for five years. I think the long term is a desirable thing from now on. I am appreciative of all the things that have been done by the departments of labour since they have had in the legislatures and in the House of Commons a few people to prod them along. They are not doing a bad job. I know the minister's department well, section by section. I got in touch with them. I think he has an excellent department, but they are being held back. There are a lot of limitations that we ourselves place on them. We are not prepared to push them as far as most of them would like to go. I am sorry that I have occupied so much time. I shall reserve the rest for the minister's estimates.

Mr. Johnston: I should like to say a word—

Mr. Mitchell: I have got to keep all this in my mind, Mr. Chairman, and I will not keep you long. I deeply appreciate what the hon. member for Calgary West has said and also what the hon. member for Cape Breton South has said. It is almost like a competition to settle who of the three of us is going to be the next Minister of Labour. I think that is all to the good. I was quite interested in the statement of the hon. member for Calgary West. I knew many actors in the labour drama on the North American continent and in Europe and I think among us all a great deal has been done. Do not let us take all the credit. There are a great many people outside the labour movement and inside it who have made the contribution that has been made to raise the social standards of the working people of this nation in the last thirty years. It is like planting an acorn. You do not get an oak the next day.

As I have often said in this house, a trade union agreement is based on character; it is not a legal document. But there are in my judgment certain fundamentals that govern the life of a nation, of a trade union or of an employer group. I think it was my good friend the hon. member for Calgary West who spoke of production for use instead of profit. I do not know whether any members of this committee have read "Das Kapital" by Marx. I think I could count on both hands all those in the Dominion of Canada who have read that book. They start out with the first volume and get tired before they get to the end of it. Even then, I think old Karl was a crackpot. He could not make a success of his own business. He could not support his own family; he was kicked out of every country in Europe. He had to go to the one free country, Great Britain, where he made the necessary studies to make that thing which was the bible of the Russian revolution. As to the point of the hon. member for Calgary West on the profit urge, the wages of profit, the salaries of profit, even some of the members of the House of Commons have said to me, "I think we should get a bigger sessional indemnity." I mean, that is a natural thing.

Mr. Smith (Calgary West): Let us form a union.

Mr. Mitchell: It is why the birds go south in the winter and north in the summer. It is just as simple as that. I was in Russia when they were paying 10 per cent on deposits and 10 per cent on government bonds. You talk about risk capital. One of the fundamental principles of Lenin was: Destroy the currency of a nation and a revolution is just around the corner. He went out and did that deliberately, with the result that in order to build up their comparatively small industrial structure they had to start afresh. There is nothing new about that. They were paying that much interest to get people to save money.

Let me say this, Mr. Chairman. I am from the working class. When you destroy the middle classes of a nation you are down the drain. I am not underestimating the contribution of many of the people who have spoken this evening, particularly my good friend, the hon. member for Cape Breton South, who was never a salaried employee of a trade union. He made his sacrifice and contribution to the miners in the maritime provinces. I have watched you struggle with your first union, and then your communist union and all that sort of thing down there until you got the powerful organization that you have today. I can say this also. You are one of the few districts in the united mine workers of America—probably the only one—where they still have democracy.

The hon. member for Calgary West was talking about John L. Lewis, who has made his contribution. What I like about Mr. Lewis is this. If it is yes, it is yes; if it is no, it is no. When he makes a contract he keeps it, with all his faults. However, I question the industrial statesmanship of any individual—and I am not speaking of any individual in particular at the moment—who can point a gun at a nation and get away with it, whether he be an employer or an employee. Lewis once said: "I cannot do anything with these Nova Scotia miners; they are democrats and Scotsmen; at least they claim to be." That is the later generation.

I am not going into the historical background, as the hon. member for Calgary West and the hon. member for Cape Breton South did, but there are certain things that I think we should remember. They are, bad money drives out good; money is timid; the law of diminishing returns, and don't be afraid of the machine. They are simple things; too simple. They like to make them complicated. There are four or five books in that sentence.

The hon. member for Cape Breton South talked about the machine. Not so long ago I was in one of the colonies. I do not like the word "colony." The governor asked me if I would meet the leader of the trade union congress there, which I did. I said: "What is your problem here?" He said: "They are introducing the bulldozer and the steam-shovel to build roads." I said: "What is wrong with that?" He said: "It will create unemployment." I said: "What are you doing now. How do you build your roads

now?" He said: "With wheelbarrows, pickaxes and shovels." I said: "Why not be logical and build with knives, forks and spoons, and you will all be rich." I said: "I come from a nation of 13 million people. It is not a country in the sense that most countries are countries; it is a continent, and we spanned that continent with steel and communications. We built schools, a judicial system and all these things that are so necessary to a civilized country and we let the machines do the work."

I can remember the day, I am sure most of us can, when I would not be wearing a union made suit like the one I have on at the present time which was made by Dave Dunkleman, an old friend of mine. I knew him as a worker in the trade. I paid $27.50 for this suit ten years ago, and it was made in a union shop with union help; but they could not have done it without the machine. Do not be afraid of the machine. Let the machine do the work. That is one of the reasons why we have such a high standard of living in the Dominion of Canada.

Mr. Ferguson: You have two suits a year, now.

Mr. Mitchell: Oh, yes. The best things in life are free. You know that. My hon. friend talked about—

Mr. Adamson: The second suit is free.

Mr. Mitchell: Oh, no. My hon. friend talked about the government not sending out labour organizers. That is what they did in Russia.

Mr. Gillis: I said I do not expect them to.

Mr. Mitchell: Let me say this clearly and with all the emphasis at my command. I am not suggesting that my hon. friend is following that kind of line; I have known him too long for that. But that was the implication in my hon. friend's remarks. In Russia of course the government runs the trade unions. They are the servants of the state. They are not free men as they are in North America. And that applies to other countries, and democratic countries, where the government calls the tune, where the trade union organizations are servants of the state. That was where the late Sam Gompers, whom my hon. friend talked about, showed more sense than any of them. He said: "Any trade union that gets tied up with a political organization will always live to regret the day that it got tied up with that organization."

Mr. Gillis: You are asking for trouble right now.

Mr. Mitchell: I listened to my hon. friend. I say any political organization. I speak of this party, the Social Credit party, and also the C.C.F. party. I believe in freedom. It is like the air you breathe. You do not miss it until it gets scarce. Do not let it get scarce.

There is another point, namely, seniority in connection with employment offices. Well, I always thought that an individual had the right to quit a job; that an employer had the right to fire a man. To me that is fundamental. The right to strike is fundamental; and that is implied in the employment offices. I like to go to whatever store I want to go to, to buy a pair of shoes, a hat or anything else. I do not think that my organization should tell an employer whom he should employ, or by the same token that my organization should tell an individual to take a job when he does not want to take that job. To me that is elementary and fundamental.

I believe the employment service should be based on service, service to the people of this nation. I often say to my people in the employment service: "It is only by the grace of God that you are not on the other side of the table." I say, "You may be the person who is out of work."

I deeply appreciate what both the previous speakers said about the organization in this department. I think that among us—I am not speaking in a party sense now, you understand—we have probably done as much in the last ten or fifteen years in this country as has been done by any other nation in a like period of time in furthering the interests of the great mass of people, whether they be agricultural, commercial or industrial, in the Dominion of Canada.

That was one point that was raised. The other was apprenticeship. In connection with apprenticeship, Mr. Chairman, I cannot quarrel with anything that has been said. I believe in it. The woods are full of Ph.D.'s and B.A.'s; but someone has to do the work. If you could erect buildings by making speeches I am certain that we could have erected many buildings in this House of Commons in the last three or four months. But you must have bricklayers, carpenters, plasterers, and so on all down the line, just as you must have miners. I speak now of what the hon. member for Calgary West said about miners. It is a difficult job to undertake. The dangers are great; the risks are great. I am a great believer in paying for the risk you take in an industry.

I want to say this very frankly if I may. I do not know whether it is safe to say this, but if I had to choose between being a lawyer and a bricklayer today, I would be a bricklayer.

Mr. Adamson: Much better pay.

Mr. Mitchell: I would like to pay a tribute to a man—I do not often mention people's names in the House of Commons, or friends—in connection with the establishment of apprenticeship in Canada. One is Joseph Pigott of Hamilton, the contractor, another is the late Jim Marsh, and another the late Tom Moore, who laid the foundation of understanding with the provinces in connection with the establishment of the apprenticeship system in Canada. It is true that in this day and age people do not go in for the trades, as they did when I was a young man, or when my hon. friend was a young man in Nova Scotia. There does not seem to be the urge to do it today that there was when we were younger.

Mr. Gillis: The machine has taken over; tradesmen are going out.

Mr. Mitchell: I cannot see that point of view, I am frank to admit. We have more machines; let the machines do the work.

Mr. Ferguson: Two pairs of pants.

Mr. Mitchell: And we have more suits, as my hon. friend from Simcoe North points out.

Mr. Smith (Calgary West): The two-pairs-of-pants county.

Mr. Mitchell: Absolutely. I am all for the machines. I remember when I was very closely associated with Sir Adam Beck in connection with the establishment of hydro in Ontario. They said, "You will never sell the power." It is true that Sir Adam tried to sell the power on every occasion, when we built at Queenston—but within three years there was a shortage.

The reason we enjoy this high standard of living in North America—and I am not going into figures—is because of the substitution of the machine for human labour. We cannot have a forty-hour week without the machine; let us be sensible about that. To my mind electrification is an elementary step. I would like to think that some of the countries in Europe and Asia had some of the advantages enjoyed by even the most lowly person—and I am not using that expression disrespectfully—in this country today.

About vocational training—

Mr. Gillis: I spoke about the machine in its relationship to unemployment. It is all right to talk about a high standard of living but 57,000 people unemployed in the maritime provinces have a pretty low standard of living, while the machine produces the profits. What are you going to do with 57,000 unemployed in the maritimes?

[Mr. Mitchell.]

Mr. Mitchell: It is not true; it is 13,000.*

Mr. Gillis: The figure changes—

Mr. Mitchell: Of course they do. They are like the tides that rise and fall. Of course they change. Unemployment figures dropped over 100,000 in the last few weeks. You cannot pass laws in this House of Commons to stop the flooding of the Red river in Manitoba. Of course, they might promise to do that. You cannot pass laws to stop the flooding of the Fraser river. That is the only thing that has not been promised. Neither can we pass laws to change the weather. If you have a late season in British Columbia we all know it creates inescapable unemployment conditions. And so on, right across Canada. That was one of the reasons we established unemployment insurance—so that it would act as a cushion against that form of unemployment. I think probably we planned better than we knew. I am not taking credit for this party or government, although we did place that legislation on the statute books.

We live in a seasonal country where we are bound to have big shifts in employment in different seasons. I know that during the war, when I was in charge of manpower, I insisted that the farmers of this nation either put on uniforms or go into basic industries in the winter months. That worked out very well; most of them, I suppose, went into basic industries. However, that is beside the point.

When one talks about unemployment he must take that into account. He must remember that this is a cold and variable climate, and in the very nature of things we shall have ebbs and flows in unemployment conditions in Canada.

I agree with the hon. member for Cape Breton South in the matter of vocational training. It was established while I was minister. We trained 650,000 for war industry to supply the army and navy during the war, and we have trained many thousands since, on a co-operative basis with the provinces and municipalities. I hope we may continue to do that. I shall be glad to look into the situation in North Sydney about which the hon. member spoke. It is obvious that I do not know every community in Canada, but I do have a fair understanding of the general policy of my department and its relationship to provincial government and municipalities in that connection.

Mr. Johnston: Mr. Chairman, I do not intend to keep the committee long, but I must say a few words on this subject. First of all let me say that in my opinion the Minister

**See also page 3846.*

of Labour has done an excellent job in creating the machinery in Canada to a point where it has resulted in less labour and industrial strikes than anywhere else on the North American continent. For that he is to be commended.

However, there is a problem in connection with unemployment which members of the House of Commons appear to have overlooked. It is not long ago that we had about 420,000 unemployed in this country. That becomes a serious problem. It may be said that part of that was seasonal—and that would be true. But it is not going to remain a seasonal problem so long as we have such numbers as that. A portion of them will be more or less permanently unemployed.

It is my view that the federal government will have to take some responsibility for the maintenance and care of the employable unemployed. I do not believe the provinces are ever going to be in a position financially or otherwise, where they will be able to take care of any large-scale unemployment problems.

Only a few weeks ago I received word that in my own constituency there were 1,400 unemployed in the Drumheller coal-mining area. Coal-mining possibilities in western Canada are not as good as they used to be. Particularly since the war it is becoming more difficult to ship coal to eastern Canada so as to compete with coal coming in from the United States. We still ship in millions of tons from the United States, at a time when we have thousands of miners unemployed in this country. I suggest that the minister could assist the provinces in taking care of employable unemployed by establishing a national coal policy for Canada.

It is not my intention at this time to discuss a national coal policy, but it does seem to me somewhat ridiculous when we are so dependent upon the production of coal that we should allow that industry to deteriorate. In wartime Canada is dependent upon her coal industry being able and ready at all times to take care of the tremendous problems we are called upon to face in a time of emergency. It seems to me we should be doing everything possible to maintain that industry.

I suggest it is ridiculous that we should be importing millions of tons of coal when we have thousands of unemployed coal miners across the length and breadth of this country. In my judgment the provinces are not going to be able to take care of this problem. Alberta has been doing everything it could to build up industry within that province. The other western provinces and the maritimes are doing the same. For some reason or other industry has been negligent—I use that word advisedly—in establishing itself in the two extreme parts of this dominion. It was my contention during the war, as it is yet, that we missed a great opportunity in not spreading our industry throughout the western provinces and the maritimes in order to take up this problem of unemployment in peacetime. Instead of that we concentrated all our industrial efforts in central Canada and that is where they have remained.

It is going to be exceedingly difficult to develop industry in the maritime provinces and the prairie provinces in view of the tremendous increase in freight rates just passed, some 45 per cent. Because of those increased freight rates an industrial barrier and tariff wall has been built around those provinces to make it impossible for us in the west to produce industrially and ship to the other provinces. This is going to present itself as a problem to the Minister of Labour when it is necessary to take care of the unemployed. I do not see how he can expect the provinces to carry this great burden on their shoulders.

It is true that at the present time the building industry in western Canada is absorbing a fairly large number of workers but we must remember that the building going on there is mainly the result of government financing under the national housing plan. There is comparatively little private building going on. And that is not a healthy sign, particularly in peacetime. Sooner or later the government is going to have to get out of the building business and when that happens there will be a tremendous drop in employment and our unemployment problem is going to be magnified to that extent.

In the past agriculture has been able to absorb a great many workers, particularly in harvest and seeding times, but agriculture has improved its methods and does not now require as many people to take off the crop. A moment ago the minister said that the modern machines are not displacing labour, but I think that is debatable. Certainly in the field of agriculture the modern machines which have been introduced have definitely decreased the number of employees. There used to be 15 or 20 men in a threshing crew but today the farmer and his son are able to do the whole operation.

The question today is: What are you going to do with the men who are being displaced by these machines? That is a problem we are going to have to face. They are going to have the same problem in the coal mines of western Canada as they have in Nova Scotia. What are you going to do with the men being displaced by modern machines?

I believe I could answer that question very effectively if the Chairman would allow me to explain the principles of Social Credit, but I know he would stop me and I shall leave that for another occasion.

An hon. Member: Spare us.

Mr. Johnston: I hear an hon. member say, "Spare us". If he can get up and tell us how he is going to take care of the unemployed I shall be glad to have him do so. I am afraid that in British Columbia they are going to be faced with the same difficulty of taking care of men who are being displaced by the modern machines of today. In industry all across the country you find that problem. As I say, the Department of Labour is going to have to face that problem sooner or later.

It might be said that it can be solved by increasing family allowances. The Liberal party does not laugh at family allowances today, but the fact is that it was only after having been pressed to adopt them by the Social Crediters that they introduced family allowances. I congratulate the government on having had that much wisdom. Another thing causing trouble today for the unemployed is the high taxation being imposed upon the people by the federal government. This is not the fault of the Department of Labour particularly, but they must bear some of that responsibility. Unemployed people find it exceedingly difficult to pay the high prices being asked for the things that are necessary to maintain some semblance of a standard of living. That problem is going to become more magnified as time goes on.

It is all right to say that unemployment insurance is going to bridge the gap or that the supplementary payments that were introduced will help, but they were never intended to take care of permanent unemployed or employable unemployed. As the minister explained a few minutes ago, they are intended only to bridge the gap in seasonal unemployment. When you have five per cent of your total labour force unemployed you have not a temporary or a seasonal problem, you have a permanent problem on your hands. When we have in the neighbourhood of 400,000 unemployed as we had a while ago—the figure is down now—that comes close to being what could be classed as a serious problem.

It is not my intention at this time to deal with some of the difficulties that face the unemployed people of Canada, because I could speak for an hour on that alone. In the discussion of the items we are given an opportunity to indicate how these problems may be solved and without keeping the committee any longer I shall conclude and save the rest of my remarks for the items.

[Mr. Johnston.]

Mr. Ferguson: Mr. Chairman, I do not think the hon. member for Calgary West is quite aware of the fact that the hon. member for Cape Breton South was handed a piece of paper on which were the results of the recent by-elections. When he saw the success of his party in those by-elections it probably accounted for his misinterpretation of the remarks of the hon. member for Calgary West.

As an employer of labour I want to say to the minister that he and his department should leave no stone unturned in drawing to the attention of employers the advantages of sharing the profits of industry with labour and of making working conditions as attractive as possible. In my factory I find that when a man has been imbibing a little too freely the night before and brings a big head to the breakfast the old woman has got for him in the morning he finds he does not feel like doing anything. But if that man is able to get a cup of coffee and a sandwich at a cafeteria around ten o'clock he does good work from that time until twelve o'clock. When plants are made attractive with beautiful lawns and flower beds and when they have facilities such as cafeterias there is greater inducement for labour to work. The labouring man finds that he wants to do a better job when he is employed in a plant of that type. I believe the department could point out to management the benefits which accrue when working conditions are improved, and I am sure any such suggestions would be gladly adopted, to the benefit of both the employer and the employee. Some years ago the factories of Canada were not fit for pigs to live in, let alone for men to work in; but for any labour man to suggest that the improvement in working conditions has been brought about entirely through the efforts of the unions is ridiculous. No one can really believe that all employers are heartless. We know they have been scratching their heads and racking their brains for years, figuring ways to co-operate with the employees and improve their conditions.

We hope they will continue to develop new machines with which to provide four or five suits of clothes per annum for the minister. I believe he was speaking of a suit made by a tailor sitting cross-legged on the bench when he spoke of making a suit last for approximately seventeen years. With the cost of a suit of clothes made without machines, one would have to make it last for seventeen years in order to get his money out of it. We should encourage the development of machinery, the improvement of what we have and the creation of new machines so people may better enjoy the fruits of their labour and the productivity of this country. We may have to reduce the hours of work of

the individual. That will be a godsend if it can be done. Let us never try to stop the development of new machines, for each new machine creates work that will increase the privileges enjoyed by all classes in our country.

Mr. Thatcher: I want to take only about three minutes to mention one specific matter. I brought it up last year and the minister could not see it, so I suppose he will not see it again this year. Nevertheless, at the request of the city council of Moose Jaw I am going to bring it to his attention again.

During the present session I have heard hon. members of all parties point out that unemployment is perhaps our major domestic problem, and I am inclined to agree. I want to lay one aspect of that problem before the minister tonight; that is the effect unemployment is having on municipal councils throughout the country. As has been pointed out already, a short time ago the number of unemployed passed the four hundred thousand mark. That is getting pretty high. Municipalities are viewing the situation with grave concern, because today the federal government pays no share of relief costs. Because of that fact many municipalities closed their financial books in 1949 with deficits for the first time in many years.

As city aldermen, reeves, mayors and others look at this problem they cannot help recalling the difficult times they had in the last depression, and wondering whether or not they were going to be faced with the same difficulties in the near future. In my own city of Moose Jaw just before the war, for instance, six thousand people out of twenty thousand were on direct relief. That was a strain which in large part had to be borne by the city council. During the last few years, because of the war, the revenues of the municipalities have been fairly buoyant and they have managed to get in better condition; but they are still in no better shape to meet heavy relief costs today than they were during the depression years. I know the minister will reply at once that since that time we have brought in the Unemployment Insurance Act, which of course I admit. But that legislation has shortcomings. It does not cover everyone; the period of benefits is limited; and because of the high cost of living many people receiving those benefits cannot get along on them. As a result the welfare organizations and municipal councils are having to bear a heavy share of relief costs.

As I said a moment ago, I pointed out this situation last December. At that time there were about 220,000 unemployed in the country, and I remember the minister rather chided me for mentioning the word "depression". I quote from page 2670 of *Hansard* for December 3, 1949:

> The trouble with people who express such opinions is that they are afraid the sun will not shine tomorrow morning . . . I think the best thing to ensure bad conditions in the country is to keep on talking about them.

I would remind the minister and the committee that a few months after he made that statement the number of unemployed in this country had doubled. It seems to me that if the minister persists in such an attitude and continues to ignore this problem he could be accused of acting like the proverbial ostrich. It does not seem to me you can solve a problem by ignoring it, but I believe that is what the minister is trying to do in this instance. Relief costs sent many municipalities into bankruptcy once, and I am afraid it could easily happen again. I hope a depression will not come, but I think we should benefit by our past experience and make ready for it.

Then, too, I believe the attitude of the government today is quite different to its attitude when the white paper of 1945 was issued. I believe it was the minister who presented that matter to the conference, and at pages 102 and 103 of the green book he said, in reference to unemployment insurance:

> The coverage is incomplete and the duration of the payments is limited, so that provincial governments and municipalities may feel that they are still subject to the possibility of heavy relief problems if unemployment on a substantial scale should develop.

Then he went on:

> As part of the general arrangement with the provincial governments, the dominion government now proposes to establish a practicable and comprehensive system of assistance to able-bodied unemployed persons as soon as possible, rather than waiting until the need for it actually arises.

Apparently in 1945 the government was impressed with the need of deciding immediately on a plan to handle relief, instead of waiting until the emergency should arise; and I should like to know why it has apparently changed its mind now, at a time when the crisis could be nearer than we think. I say relief is a federal responsibility. If we have unemployment, to a considerable extent at least it is due to federal policies. The only government that could really do something about it is the federal government. Unless we give these municipalities more powers of taxation we are going to have to pay at least a portion of the relief costs; otherwise many municipalities will again face bankruptcy. A few days ago Mr. J. S. Marquis, city commissioner of Moose Jaw, wrote me a letter from which I should like to quote one paragraph:

> There is every indication that the relief problem will increase in Moose Jaw rather than diminish,

and unless the federal government can be persuaded to assume this responsibility in regard to unemployed employables, Moose Jaw is headed for a similar financial disaster which overtook us in the depression days. This time, however, we cannot last very long.

I suggest that this letter speaks for many municipalities in Canada. Tonight the hon. member for Cape Breton South said there were five thousand unemployed in his city. That is a financial load the city government cannot carry. Tonight I challenge the minister and the government to carry out some of the suggestions they made in the 1945 white paper. I challenge them to pay at least a fair share of relief costs in future; and I challenge them to place this matter on the agenda of the dominion-provincial conference when it reassembles this fall.

Mr. Mitchell: I do not know whether my hon. friend is aware of it, but there is still a provincial government in Saskatchewan.

Mr. Thatcher: Yes, and it is paying fifty per cent of the cost of relief, while the federal government is paying nothing.

Mr. Mitchell: Let me say this to my hon. friend. Through unemployment insurance this government last year disbursed, in round figures, more than $85 million. I know I gave the figure for the recent drop in unemployment. From the peak there has been a drop of about 200,000 registered at the employment offices. We have the largest employment figures in the history of the dominion, even considering the peak during the war. For the life of me, I cannot understand these calamity howlers who seem to get delight out of predicting bad times. One of the previous speakers mentioned the coal mining industry in Alberta. There are more men employed in the coal mining industry in Alberta than ever before.

Mr. Johnston: That does not help unemployment now.

Mr. Mitchell: There also are more men employed in the mining industry in Nova Scotia than have ever been employed in that industry. Those are the facts. I remember the experts, my own experts—God knows, the woods are full of experts; always look out for a person who is running around with a big briefcase under his arm—predicted we would have 600,000 people out of employment the year after Japan was defeated. In Washington the figure for the United States was 8 million. I was convinced we would have a boom, and we have had a boom. This country was never richer than it is at the moment. I believe that there will be a scarcity of workers by the middle of July. I believe that, and I hope that what I believe turns out to be true.

[Mr. Thatcher.]

Some members have spoken of the construction industry. Have you ever tried to hire a carpenter, bricklayer, painter, or plumber or anyone else engaged in the construction industry to do some work in your own home? Try to do it, and see how long you have to wait. I am glad to see this condition, and I hope there will always be a scarcity of labour because it is an indication that people are working. My hon. friend is talking about relief. All he is trying to do is to bridge the gap between agriculture and labour in one political party. It cannot be done. It has been tried by better and bigger people. I would rather see butter at a good price and have a dollar in my pocket to buy a pound, than see it selling at fifteen or twenty cents, as I have seen it, with nothing in my pocket at all. Let us be sensible about these things.

I know it is pleasant to go out on the hustings and talk about these things. My hon. friend was talking about machines. I can remember the day when there was no automobile industry in Canada, the United States, or Great Britain. There was some talk about machines displacing labour. Thank goodness there is an automobile industry in North America today, as well as in Britain, since she is so short of American dollars. Last year when my hon. friend brought up this question about Moose Jaw, I asked him how many unemployed there were in that area. I mentioned a moment ago that bad money drives out good. I would not invest a dollar in the province of Saskatchewan at this very moment. When you talk about risk capital—

Mr. Johnston: Why not?

Mr. Mitchell: Because I would not, that is why.

Mr. Gillis: The Canadian National Railways is investing there, and that is a government institution.

Mr. Homuth: But they have to go through the place to get somewhere else.

Mr. Mitchell: I am speaking now as an individual, not as a member of the government. As a rule governments do most business things in reverse, and I am making no exception of my hon. friend when he was premier of Ontario. They do it in reverse because—well, you talk about government ownership of this and that. Take a look at it in the glass, or have a look at yourself in the glass when you are trying to convince yourself of the opposite argument. As I said once before, when you know someone is stupid, for goodness' sake take a look in the glass. I am convinced of this, Mr. Chairman, that by the middle of this summer we shall have

the tightest labour situation in the history of this dominion. I know that, from some people's point of view, it is unfortunate that the unemployment figures have dropped 200,000 from the peak. From some people's point of view it is not the thing to talk about when you are out on the stump. It is an actual fact, however. I do not give credit to the government for that, because it is due to the resiliency, ingenuity and driving force of the Canadian people and their co-operation with the government.

My friends were talking about the machines. If machines produced bad living conditions, then India or China would be the best countries in which people could live. The thing those countries lack is the mechanical genius that we have on the North American continent; that is as simple as simple arithmetic. The member for Moose Jaw thought conditions were going to be bad last year.

Mr. Thatcher: They were very bad during the past winter, I may say.

Mr. Mitchell: When I asked my hon. friend if he knew how many people were being affected, he did not know. He was then in a mental haze.

Mr. Thatcher: I have told you now.

Mr. Mitchell: I should like to have the figure. I know that if I lived in Moose Jaw I would know the figure.

Mr. Thatcher: I shall be glad to give the minister the figure. A short time ago it was more than 1,200 in the city alone. I do not wish to be unfair, but I do not think the minister has yet given an answer. He has given the house a series of platitudes during the evening, such as, air is free, and we should have machines. He still has not given us the answer to which I think we are entitled.

I understand that in 1945 the governments believed that, so far as municipalities were concerned, it was feasible for the federal government to pay a portion of the relief costs, despite anything the minister says. If we do not have unemployment, that will be fine. Everybody will be happy. But in case we do have it, what is he going to do for the municipalities? Is he going to make up additional tax revenue so they can pay for relief costs, or is the federal government going to pay at least a third or a half, as they did before the war?

Mr. Mitchell: I shall give my hon. friend an answer. It is not the federal government, the municipality or the provincial government that pays, it is you and I.

Mr. Thatcher: Fine.

Mr. Mitchell: That is what I thought.

Mr. Thatcher: As the agent of you and me, will you pay your third of these costs?

Mr. Mitchell: My hon. friend should know, he is old enough to know, that municipalities are the children of the provincial government; that is where they get their charter.

An hon. Member: I have heard that before.

Mr. Mitchell: Someone says he has heard that before. I say, let it sink in. The federal government, in my memory, and I think I have had some experience in these matters, has never dealt directly with the municipalities.

Mr. Thatcher: That is a technicality, if I may say so. If you want to give the grants to the provinces, that is all right.

Mr. Mitchell: Just a moment now; I suffered you, now you suffer me. My hon. friends says that is a technicality. Of course the British North America Act is a technicality. The mere fact that the municipalities get their powers from the provincial governments is a technicality. I hope they will always get those powers, because I am a great believer in the decentralization of power. The best kind of government is the government that gets closest to the people. When my hon. friend goes across the country and says, "Let the federal government pay," that is the easiest thing in the world to say. The federal government pays nothing. You and I pay, and the people to whom you are talking. It is just a matter of which cash register it comes from, whether it is the federal, provincial, or municipal. That is sensible; it is not a technicality. Two and two are still four, although sometimes my hon. friend thinks they make five.

Mr. Thatcher: Is the minister then saying that the federal government at this time still will not pay any share of relief costs, whether it is to the provincial government or the municipality?

Mr. Mitchell: No. You are not getting my neck in that noose.

Mr. Thatcher: I am just trying—

Mr. Mitchell: Just wait a minute; just sit down. As my hon. friend well knows, there is to be a conference this fall. I assume that this is still a free country. I assume that the provinces will raise certain questions, questions of principle and such like. What will happen there, I do not know.

Mr. Noseworthy: Mr. Chairman, I enjoy these speeches by the minister so much—

Mr. Mitchell: If I may interject something here, may I say that I do not think I have spoken forty minutes altogether since this session opened.

Mr. Homuth: Why not? I like it.

Mr. Mitchell: You like it. So do I. That is all right. But do not try to imply that I take up a lot of time in this chamber. I have more sense than that.

Mr. Noseworthy: Mr. Chairman, I was not implying that the minister was taking up too much time in this debate or saying too much. I simply stated that I enjoy listening to the minister, and I hope that I can provoke him to give another speech before these estimates are concluded. I realize that I shall be called a calamity howler by the minister. As to these thousands of people who suffered from the Red river flood a few months ago, by the same analogy that the minister used I submit that he might just as easily have charged them with being calamity howlers, when they urged upon their government the necessity of taking steps to prevent a repetition of that disaster, as charge those 425,000 unemployed seasonally last winter with calamity howling for asking the government—

Mr. Mitchell: You cannot put those words into my mouth in this committee. I have never suggested for one moment that the people my hon. friend is referring to were calamity howlers. I never even suggested that he was one. While I am on my feet, I should like to give to the hon. member for Moose Jaw the figure for which he asked. There are 754.

Mr. Thatcher: Yes. There were over 1,200 at Moose Jaw.

Mr. Mitchell: I know. You do not like to hear that.

Mr. Thatcher: The city council had to pay relief.

Mr. Mitchell: You do not like to hear good news.

Mr. Thatcher: I like very much to hear good news; but the city council had to pay relief costs of 1,200 people, for those who were unemployed; and they will have to do the same thing next winter unless the minister does something.

Mr. Noseworthy: I heard the minister implying the term "calamity howlers" to those who were discussing the unemployment situation as it existed last winter, and I took it for granted that I would likely be classified in that group. I shall feel disappointed that the minister does not confer upon me the honour of including me with those so-called calamity howlers. After all, there were some 425,000 Canadians who suffered from unemployment last winter, whether it was seasonal or whatever it was. Those people are anxious to know if any steps are being taken to avoid a repetition of that situation again next winter. I suggest to the minister that it is not howling calamity to ask the government just what steps are being taken to avoid a repetition of that situation.

I should like to put to the minister a few questions. He may please himself whether he answers them or not. If I cannot get the answers from the minister, then I shall proceed to put them on the order paper for the officials of his department to find answers to them for me. In 1945 the government adopted a policy of full employment. It announced that full employment was a major objective of its policy. That same policy was announced in the election of 1945 and again in the election of 1949. During this debate I should like the minister to tell us whether or not that is still the policy of this government, and whether it accepts full employment as one of its major objectives, as it indicated it did in 1945 and in 1949. If so, I should like the minister to indicate just what his department or the government means by the term "full employment", and just what is implied. Is it a matter of 425,000 unemployed and still full employment? Or 500,000? Or just what is the government's definition of that term "full employment"?

Mr. Mitchell: Do you want that answered right away?

Mr. Noseworthy: I want the minister, if he wishes, to tell us whether or not the government has considered the setting up of any specific target in terms of the percentage of the labour force that would be unemployed before any special action should be taken by the government to increase employment. I want him to tell us whether that question has been considered. I say that because I recall listening to the Prime Minister during the 1949 election campaign in Toronto, when he was questioned on that point. Finally, when the reporter who questioned him got up to the 500,000 mark and said "Would you consider 500,000 enough unemployed to warrant the government's taking special action?" the Prime Minister said, "Oh, yes, if we ever reached the stage of having 500,000 unemployed, certainly the government would take some direct action". Apparently we did not reach the figure of 500,000 unemployed, at least according to the figures registered with the unemployment service. We did get fairly close to it, however. I wonder if the minister could tell us just where the government considers that unemployment has reached a point

which warrants its taking some special action in order to increase employment. Can the minister tell us just what that point is?

Also during the 1945 and 1949 campaigns we heard about a shelf of public works projects that the government was to have in readiness when unemployment warranted it. I should like to know if the government still adheres to that policy of timed investment; that investing of public moneys in public buildings and projects when employment is slack; that entire theory of timed investment, including the concept of the shelf of public works projects to be in readiness when and if unemployment is serious enough to warrant increased public expenditure. If the government is still following or adhering to that policy—and I have heard rumours that the shelf has been abandoned—then possibly the minister could tell us how many projects are ready; for how many plans have already been prepared; how many men would be employed in those projects; and for what period of time they would be employed. If he could enlighten us as to when these specific projects can be undertaken, or under what conditions they would be undertaken, I think he would clear up a good deal of misunderstanding on the part of the public on the whole question of unemployment and the government's responsibility.

Then we heard from the minister and others that our unemployment last year was just seasonal. We blamed God for it or the weather for it; we blamed anybody but the government. It was a seasonal problem. Can the minister inform us during the course of this debate whether or not the government has a policy designed to counteract such seasonal unemployment next year? Has the government any plans to avert a repetition of another possible 425,000 becoming unemployed? If so, I am sure the minister will want to tell us what that policy is, and just what action is being taken to prevent a repetition.

Then of course, what was not seasonal unemployment last year was regional unemployment. That was a phrase we heard mentioned a number of times. It was not a general condition which warranted any action on the part of the government; but just in case that regional unemployment should recur next year, has the government any policy designed to counteract such a repetition of regional unemployment? What is that policy; and just what has the government in mind to avert such a repetition?

Mr. Mitchell: I will take only five minutes on this. I do not think we ever used the phrase "full employment." "High employment" was the phrase used.

Mr. Noseworthy: High employment was used in the white paper and the green book.

Mr. Mitchell: I am talking about the phrase I used. I do not care about the white paper. I thought I explained the shelf of public works earlier in the evening. As I say, there is a great scarcity of building trades mechanics in Canada. Every one of us knows that. I do not see any reason for setting in motion a policy of public works of that nature when we cannot get the mechanics to do the work.

My hon. friend uses the word scientific. That is a nice word. It gets you out of many difficulties. All one has to do is to say he is a scientist. He may be the only one who thinks he is. I do not look upon human beings as fence posts, like some of these who talk about the scientific adjustment of the manpower problem of the nation. I like to look upon them as human beings like ourselves, as they are. Take the province of Ontario, my hon. friend's province. There has been a drop of 51,000 in the unemployment figures since March. It was 102,000; it is now down to 51,000.

I do not know that I should use this word, but this is what they call frictional unemployment.

Mr. Noseworthy: That is a new one.

Mr. Mitchell: It is estimated that about 2 per cent of any industrial nation—I am speaking of free countries of course—are in that condition. It is brought about by men changing from one job to another, by men trying to get a better job than they are working at at the present time. That is the natural thing to do. Obviously, they register for employment with the employment offices. We estimate that in the dominion there are about 120,000 in that category.

My hon. friend talks about regional unemployment. You are bound to have that. Take the Chrysler strike in Detroit. It threw 9,000 out of employment in Ontario. You get floods in Winnipeg, which have created a temporary unemployment situation there. That is why I talked about the weather and all that sort of thing earlier in my estimates. We cannot control these things.

Mr. Noseworthy: That is not what I asked.

Mr. Mitchell: It may not have been what you thought, but that is what you asked.

Mr. Argue: Who is putting words in whose mouth?

Mr. Mitchell: My hon. friend—

Mr. Noseworthy: I asked a very definite question.

Mr. Mitchell: I could not put any words in my hon. friend's mouth, because he talks so much about so little.

Mr. Argue: Speak for yourself.

Mr. Mitchell: That goes for the war years, too.

I was talking to the hon. member for York South; I was trying to answer him. I do not know that you can cure that. It is like trying to push back the ocean. I remember that during the war when this department had control of manpower it was comparatively simple. I could, through my department, say to a person: This is where you will work, and this is what you will do. But as I have said before, I am opposed to that policy in peacetime. I believe in freedom. If a person wants to live in Nova Scotia, or New Brunswick or in any province of Canada, it is his business and not the business of any government. It is the easiest thing in the world for the state to give direction. Thank goodness, the British have just dropped direction by the state. If you have direction of human beings in peacetime it is the easiest thing in the world to slip into a dictatorship. It is the easiest thing in the world for the government to say that you shall go to such and such a place. If I had the power I might say to the hon. member for York South and to some of the other hon. members: I think you are wasting your time in this House of Commons; you ought to be down in a coal mine, or laying brick or whatever the case may be, where they is a shortage. But a Liberal government, sensible governments at least, do not take that view, and I hope we shall never take that view in this Dominion of Canada. We cannot control the weather, not yet.

Mr. Noseworthy: I did not ask you to.

Mr. Mitchell: No, but you are suggesting it.

Mr. Noseworthy: No, I did not.

Mr. Mitchell: I know it. My hon. friend was a schoolteacher. He talks about regional unemployment. I am not being critical over this dispute in Detroit. I am not passing any comment whatever on one side or the other in connection with it. There was a strike in the Chrysler industry in Detroit, with the result that 9,000 people were laid off in Ontario. We have no control over that.

I say to the hon. member for Cape Breton South that I was in Pennsylvania not long ago and I saw that many of the locomotives that were drawing coal out of the coal pits were diesel electric. That is what I call the law of diminishing returns.

Mr. Harkness: What was diminished?

Mr. Mitchell: You price yourself out of the market. It is just as simple as that. The best oil salesman in North America is John L. Lewis. I am not being critical of Lewis, you understand, but that is obvious to the average person. You do not need salesmen to sell oil burners these days. What I call industrial salesmanship is where both sides get together and see to it that they are not priced out of the market, because the consumer calls the tune whether you like it or not. I think I have explained that pretty clearly. I think that is the best argument in favour of unemployment insurance. Apart from the social benefits which have accrued in this nation, money has been set in circulation, and unemployment insurance has increased the velocity of money. It is far better to have it that way than to have it the way it was in the depression years when many of us were close to that situation.

If my hon. friend wants me to give him a cure for all that, and to tell him whether we are going to have an early spring or a late spring—well, he will have to get one of his socialist governments to tell him that, because this one cannot, and neither can any other government.

Mr. Noseworthy: I asked the minister some very definite and serious questions. Of those questions he answered one, and one only. I asked him if it was still the policy of this government to maintain full employment. I asked him what this government meant by full employment. I asked him if the government was still abiding by the practice of a shelf of projects. That is the only question he answered by indicating that the government had abandoned that idea at this time. I asked if there was any government policy to counteract a repetition of seasonal unemployment next year. I did not ask him to regulate the seasons or the weather. I asked him if his government had any power to counteract or to avoid seasonal unemployment next winter. He has not answered either of those questions yet.

Mr. Mitchell: Mr. Chairman, I give up!

Mr. Noseworthy: Answer them.

Mr. Mitchell: I can answer them. Good gracious, I think I have a measure of common sense.

Mr. Noseworthy: Political sense.

Mr. Mitchell: My hon. friend does not need to worry about political sense. When it comes to politics, I have nothing on him, you understand—and I speak of politics in its broader sense.

Mr. Hansell: They do not go together.

Mr. Mitchell: I tell my hon. friend there is no government in any free country that can guarantee full employment. The trouble with my hon. friends is that they want the government to push people around.

Mr. Noseworthy: No; cannot the government have a policy?

Mr. Gibson: Better get a salt mine.

Mr. Mitchell: Look here, you are an older man than I am—or about the same age, I hope. The hon. member certainly remembers after the first war the difficulties, trials and tribulations we went through. I think it is a reasonable assumption that we came out of this war in better shape—perhaps I should not say that; certainly we came out of it in as good shape as any country in the world. The government does not take all the credit for it. True, we had the machinery, and we have the experience that made possible that tremendous shift in manpower. When I tell my hon. friend this, that we placed over a million people in six months in this country through the employment service, he will know what I mean. And that was done on the basis of freedom—freedom, you understand.

You have to remember this: As sure as the sun will rise in the morning, when you start talking about pushing people around it is not long before you have the kind of government I hope we shall never see in this country.

Mr. Noseworthy: Well—

Mr. Mitchell: Just a minute, now. I am not suggesting my hon. friend wants that kind of government at all.

Mr. Noseworthy: I did not say a word about it.

Mr. Mitchell: I am not suggesting my hon. friend does. But, lead kindly light, amid the encircling gloom—and a little child shall lead them.

An hon. Member: Tell us about Daniel in the lion's den.

Mr. Mitchell: This idea of going out and telling the people that you can hold back the ocean if only they will elect you is the easiest thing in the world. My hon. friend has asked me a question, and I have answered it satisfactorily—at least from my own point of view.

Mr. Noseworthy: The minister has not answered it at all. I asked him about the policy of the Canadian government to counteract or to meet any recurrence of unemployment, seasonal or regional, in the winter months.

Mr. Gibson: Get a salt mine.

Mr. Noseworthy: Has the minister any policy to meet that recurring situation next winter? He has not answered that question.

Mr. Mitchell: Look here, you are not going to stick my neck in that noose and get away with it. The world is full of that kind of thing. But not me—not yet, anyway. I have told the hon. member that there is no government—and my young friend snickers; he will be a great help to his mother some day when he grows up—no government that can control the elements. The question my hon. friend asks is a debatable, legal question. It cannot be answered. I do not know—there may be some kind of strike or some kind of flood, or too much snow, or not enough snow—all sorts of things. But you fight that through the instrumentality of unemployment insurance, of which we disbursed $85 million last year. Certainly that is an advance over what took place prior to the establishment of that legislation. My hon. friend can make all the rosy speeches he likes. But there is the old saying that you can fool the people some of the time, but not all of the time. I think I have been among the working people of this country long enough to know that you have got to speak plainly to them. They have a fair understanding of the basic principles that make the clock tick in the Dominion of Canada.

Mr. Gillis: Just to break this thing up: someone over here has suggested that if we have any idea as to what could be done, we should state it. The minister tonight is doing exactly what representatives of Canada did before the United Nations committee that was set up specifically to deal with this question of unemployment. Canada is a member of the United Nations. That body selected a committee of experts just a few months ago to ascertain what might be done in any country by way of relieving unemployment. The committee laid down a series of specific recommendations. The Canadian representative made no commitments in the matter.

The minister may talk as much as he likes about pushing anyone around. But if he will look at the photographs which appeared in the *Globe and Mail* and in the Montreal papers last winter, showing hundreds of men with no place to sleep, huddled around in improvised shelters in Montreal and Toronto, he would know what the unemployment was. Is that not being economically pushed around? Many of those men were sailors and soldiers who fought in the last war. That is being pushed around economically, whether you like it or not.

The United Nations committee recommended that each government in each country should decide what it considered full employment in that country to be. That is the question which the minister has deliberately evaded this evening. He has not said what the government considered full employment in Canada to be. Secondly, the United Nations committee of experts said that in

their opinion an unemployment problem in any country was dangerous when it reached over five per cent of the total employable population. It recommended that when that point was reached a government should implement public works programs for purposes of relieving the condition. Secondly, they should immediately supplement their social security benefits or inaugurate new ones, and then try to keep the purchasing power in the hands of the people. Those three simple recommendations were made by the UN committee just a few months ago, but the representative from Canada took exactly the same position the minister takes tonight, that we have no idea of what constitutes unemployment and we will not accept the recommendations of the committee.

There has been talk of this being a case of pushing people around. I do not consider that any government that takes an interest in the unemployed to the extent that they will direct them to where they may secure employment in some other part of the country is pushing people around. During the war and the aftermath of the war that was done by the government and it was appreciated by the people in the areas affected. What about the d.p.'s? We send teams all over Europe and spend money in psychoanalyzing a lot of people—

Mr. Mitchell: Not me.

Mr. Gillis: The government does and the minister definitely is part of the government set-up. We provide transportation from Europe to different parts of Canada and help these people to get employment. They do not consider that the government is pushing them around. They consider it a humanitarian gesture on the part of the government of Canada. That is appreciated by the people of Canada and by those affected.

Let us not forget that when you have a pocket of unemployment in any part of Canada you have people who are displaced in the community. It does not matter how small the group is, you have that effect. If there are only 750 people unemployed in Moose Jaw, which has a population of two or three thousand, there is a pretty high percentage of unemployed. Those 700 unemployed are suffering just as much as though there were 15,000 unemployed. Instead of making light of it or arguing along the lines the minister has been arguing, we should be studying this problem and deciding to do what we can about it.

Mr. Mitchell: I wonder if I might answer that now. There is nobody or no department that is carrying out a more continuous study of this problem than the department over which I preside. When I tell you that 1,700,000 people passed through the employment offices last year it will give you some indication of what is being done. We have moved people up and down the country in co-operation with the provinces in an effort to provide needed farm help. When we realize what the position was ten years ago I think it must be conceded that we have done reasonably well.

I do not want the impression to get out that the government is treating this matter lightly, or that I am. We are just as much interested in it as my hon. friend. If he has any suggestions he should let us have them because all the sense is not on this side of the chamber.

Mr. Gillis: I have already made several suggestions and they will appear on *Hansard*. I know that you people read *Hansard*. I realize that the department is broken up into different sections and I am in hopes that someone will read what I have suggested and something will come out of it. A country like Canada should not have any unemployment problem. The whole world is crying for the production of this continent. There are difficulties in connection with currencies and that kind of thing, but the fact remains that New Zealand, Australia and Great Britain—the minister's department has the figures—have no unemployment problem. There is no reason why Canada should have unemployment.

You may relieve the condition temporarily in Ontario and Quebec and perhaps on the prairies and in British Columbia, but that is not possible in the part of the country that I represent. They have had a continuous unemployment problem for a long time. In most cases unemployment insurance has run out and is of no help now. The supplementary benefits have been of some assistance. Something in the way of public works will have to be inaugurated, as I believe that is the immediate solution to this problem.

It is wrong to just try to brush this off by saying that people do not want to be pushed around. I would not consider I was being pushed around if someone told me where I might get a job and gave me some help to get to that job. I think the minister's department has done an excellent job, but for the last few years I have felt that restrictions have been placed on that department and that it is not doing all the things it is capable of doing with the personnel there is there.

Item agreed to.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris (Grey-Bruce): Tomorrow we will continue with estimates, Department of Labour, national health and welfare, Secretary of State, transport, Postmaster General and justice.

Mr. Fleming: In that order?

Mr. Harris (Grey-Bruce): So far as the first two are concerned, labour and national health and welfare.

Business of the House

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

[The following item was passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—
General administration—

150. Departmental administration, $540,260.

55946—243

HOUSE OF COMMONS

Tuesday, June 20, 1950

The house met at eleven o'clock.

TRANSFER OF DUTIES

NORTHWEST TERRITORIES POWER COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to table a copy of an order in council dated June 16, 1950, pursuant to the powers conferred by the Public Service Rearrangement and Transfer of Duties Act, transferring to the Minister of Resources and Development the powers, duties and functions vested in the Minister of Mines and Resources by the Northwest Territories Power Commission Act. It was thought that that was done automatically by the act establishing the Department of Mines and Resources, but the law officers felt there was some doubt about it, and it was preferable to remove that doubt by passing an order in council expressly vesting in the Minister of Resources and Development those powers which, under the terms of the statute, were given to the Minister of Mines and Resources.

RAILWAYS, CANALS AND TELEGRAPH LINES

CHANGE IN PERSONNEL OF STANDING COMMITTEE

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

That the name of Mr. Hatfield be substituted for that of Mr. Smith (Calgary West); and that the name of Mr. McLure be substituted for that of Mr. Harkness on the standing committee on railways, canals and telegraph lines.

Motion agreed to.

LABOUR

MCINTYRE PORCUPINE MINES—QUESTION AS TO REJECTION OF CONCILIATION BOARD RECOMMENDATIONS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of Labour. Has the minister received notification that McIntyre Porcupine Mines Limited has rejected the recommendations of the board of conciliation appointed by the government, recommendations which had been accepted by local 100 of the Porcupine Mine Workers Union, and that a decision to strike has been taken? In view of the substantial assistance, amounting to $22 million, given to this company under the Emergency Gold Mining Assistance Act, will the government take all steps necessary in the public interest to persuade the company to accept the conciliation board's recommendations, and thus bring the dispute to an end?

Hon. Humphrey Mitchell (Minister of Labour): My hon. friend no doubt knows that this dispute comes under provincial jurisdiction. I believe the majority report recommended an increase in pay, certain paid holidays, and some form of check-off. I have no jurisdiction. Under legislation in force now, neither the federal government nor the provinces can enforce the findings of a conciliation board. I have always held the opinion that the sun does not shine on only one side of the fence. I know that employees sometimes turn down the majority report of the board. I take the long view that both industry and labour would be well advised to accept the majority report of a conciliation board.

At the moment there are some major disputes under my jurisdiction in which the majority report of the board has been turned down by the employees. I am fearful that the whole system of conciliation could easily break down if some judgment is not used by both sides in connection with the machinery that has been built up over the years, whether it be provincial or federal.

BUSINESS OF THE HOUSE

QUESTION AS TO ESTIMATES TO BE CONSIDERED THIS DAY

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, there is a question I should like to bring to the attention of the government, and it can be answered by either the Prime Minister or the Minister of National Health and Welfare. In announcing the business for today it was indicated that the first estimates to be dealt with would be those of the Department of Labour, after which the estimates of the Department of National Health and Welfare would be taken up. I am certain there will be complete agreement on proceeding with the health estimates, but I should like the assurance that we shall not be proceeding with the welfare estimates. In view of the fact that a committee is sitting which has not yet reported, it would be impossible to discuss at the present time any of the welfare estimates.

Hon. Paul Martin (Minister of National Health and Welfare): I think the suggestion of the hon. gentleman should commend itself to the house. When we reach the particular item he has in mind, which I take it would be the old age security item, we can let it stand. Would that be agreeable?

Mr. Drew: Quite so. My point is that under the rules of the house we are not permitted to discuss a subject which is under consideration by a committee. It will be generally agreed that this subject is of the utmost importance, and that it would be unfortunate if discussion on the estimates were prevented by that rule. As long as the minister will agree to defer the item on which that discussion can take place, we can proceed without any misunderstanding.

Mr. Martin: That is agreeable.

FLOOD CONDITIONS

FRASER RIVER VALLEY—INQUIRY AS TO PRESENT SITUATION

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Stories coming out of the Fraser valley, reports coming to me from my constituency, and reports appearing in British Columbia newspapers on the Fraser valley flood situation, do not quite agree. Would the minister care to give a report at this time?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The only information I have was obtained by telephone from the representative of this government who had charge of the construction of the dikes. I am told that the dikes are standing firm in spite of the fact that the peak of the flood this year is about equal to the peak of the 1948 flood. There has been some seepage through the dikes at Agassiz; the troops have been called out to handle the situation, and sand bags are being applied wherever seepage appears. If, as is now reported, the peak of the flood has been reached or nearly reached, I feel sure there will be no damage resulting from failure of the dikes.

SUPPLY

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

DEPARTMENT OF LABOUR

General administration—

151. To provide for expenses of the economics and research branch (formerly under departmental administration), $379,455.

Mr. Gillis: Mr. Chairman—

Mr. Mitchell: Perhaps my hon. friend will permit me to make an explanation in his favour, and also a correction, or perhaps I should say a clarification. Last evening, speaking of unemployment figures, the hon. member for Cape Breton South mentioned 57,000, which I mistakenly understood to refer to Nova Scotia. Later I said the figure for Nova Scotia was 13,000, which was correct as of June 8. In reviewing *Hansard* this morning at page 3826 I discovered that my hon. friend was referring to the maritime provinces, which until recently we have considered as including Nova Scotia, New Brunswick and Prince Edward Island. The total number of unemployed for those three provinces as of June 8, 1950, was 30,100. In addition there were 19,600 in Newfoundland as of that date. The total for Canada as of June 8, 1950 was 239,800, which is a drop of 198,000 from the peak which occurred last March. That is satisfactory, I hope.

Mr. Gillis: That is the very point I rose to bring to the minister's attention. My quarrel with the Department of Labour in listing the unemployed is that the figures now mentioned by the minister should have been given to hon. members at intervals of at least two weeks. That was done in the past; every two weeks the department would issue a statement on the unemployment situation in Canada. Those releases went to the two congresses of labour and to the press, as well as certain members of the house who were on the mailing list. That practice has been discontinued.

Last evening, when hon. members rose to discuss the unemployment situation, the only figures they had to work on were those issued about a month ago. I believe those figures came out about June 3, and gave the position as of about May 18. At that time the national picture as set out by the department showed some 306,000 unemployed. The figure for the maritimes was 41,000. Since then there has been a considerable drop, and personally I think it is unfair for the department to issue figures and then, when there has been a substantial change in the right direction, to leave hon. members with figures a month old while the minister can rise in his place and fire back figures which are much later, and which we do not know about.

Recently there has been a great deal of controversy between the congress of labour and the department over the withholding of the actual unemployment situation as it is reported by the various offices across the country. I do not think the department is being smart in this. If there is a change in the right direction I believe the smart thing for the department to do is at least to keep the

congresses of labour and the members of this house advised of the changes that take place from time to time.

The figures just given by the minister show a substantial decrease in unemployment. Before the estimates are through I hope the minister will be able to give us, province by province, the job opportunities that were created and that brought about this drop of some 198,000 since the last release. This morning I happened to pick up a press release from the office in Glace Bay, my home town, and there has not been very much of a change there. This press clipping is dated June 16, and it states:

> Unemployment figures released today by the local office of the national employment service show a slight drop over last week's total.
>
> This week there are 129 females and 432 males listed as unemployed as against the 130 females and 467 males registered last week, a decline of 35 . . .

The important part of this is that 279 men and 68 women are claiming benefits through the local employment office.

The point I want to make for the minister's benefit, as I argued last night, is that special unemployment relief, or an extension of the supplementary benefits, should be given to those areas. This press release from the local employment office in that particular town shows that over fifty per cent of the total unemployed registered in that town are not receiving unemployment insurance. That is another indication of what I stated last night, namely, that the unemployment problem in the maritimes is largely a permanent one. It is a problem that the municipal authorities, who now have the responsibility of looking after the totally unemployed, are not able to handle.

I am suggesting that instead of accepting unemployment as it is on a national scale and deciding that it is seasonal and regional, the fair thing to do across Canada would be to make a regional survey, particularly in the maritimes, to ascertain the amount of permanent unemployment there. In that way you will get a fair picture of what is necessary in that part of the country, because this press release definitely shows that there is a permanent unemployment problem in the maritimes. I know that most of the towns and cities in the maritimes have such a heavy municipal burden that they are not in a position to carry unemployment relief. There is an act on the statute book, known as the Unemployment Relief and Assistance Act, which provides that when a certain percentage of a municipality, town or city is totally unemployed the act can be applied through the provincial government. Something of that kind is necessary in some of the towns and cities in the maritime provinces.

What I really want to say is that if unemployment is declining in Canada we are glad to hear it. In future I would like the minister at least to keep hon. members informed as to that decline. We do not want to rise in our places in this house and misrepresent the picture. All we can do is to take the figures that are released publicly from time to time and make an analysis of them. From now on I should like to get the figures that the department has compiled.

Mr. Mitchell: Let me make this clear. As long as I am the Minister of Labour, I will run my department. So far as I am concerned, let the sun shine in. I am one of the few people who never closes his office door. My door is always open, except when someone is in there talking to me. No official in my department is going to tell me what to do. They have said to me at times: "If I were you I would do this." But I have said: "You are not me; to be me you have to be elected" and that is not the easiest thing in the world.

My hon. friend can rest assured that these figures are in the *Labour Gazette*. They have been criticized as being handouts by departments. Let me be frank. Any member of this house, irrespective of what side he sits on, if he wants the information and asks me for it, he will get it. I have always maintained, as my hon. friend knows, that you cannot face a problem by running away from it.

As I said last night, it is sometimes not the wisest thing to do to quote figures from memory, especially in relation to a large department like the Department of Labour. I should like to impress upon my hon. friend the fact that employment is a dynamic thing; it is not static. There are changes from day to day; different people come and go, and so forth.

As I pointed out last night, 1,700,000 people passed through the employment service alone last year. Along with my hon. friend and other hon. members, I take pride in the efficiency of the labour department. I have been very fortunate in building that organization, to have a group of loyal civil servants—exceptionally loyal, may I say.

I agree with my hon. friend that anything we can possibly do to meet the problems of my department will be done by my officials and myself. If he ever wants any information—it does not matter how uncomfortable it is—from me, I will give it to him.

Mr. Smith (Calgary West): The minister said that "1,700,000 people passed through". What does he mean by that?

Mr. Mitchell: There may be repeaters. That is why I say it is dynamic; it is not static. A person may pass through the office six or seven times a year. He may be through my office a dozen times, but in the collection of these figures they appear as different individuals. It is a gigantic problem. It is a big organization. So far as I am personally concerned, I am not greatly in love with figures. During the war I found that there was no such person as an unemployable person. Everybody who wanted a job and who could work with his hands and stand on his feet could get a job; we had a job for him. But there are repeaters.

Mr. Smith (Calgary West): When the minister says that a certain number of people passed through, all he means is that they visited some branch of the department.

Mr. Mitchell: I am talking about the employment office now.

Mr. Smith (Calgary West): I mean the employment office.

Mr. Mitchell: Take a firm like General Motors of Oshawa. Both the trade unions and General Motors use the employment service exclusively. Certain other big concerns and other organizations on both sides do the same thing. It has developed to a degree that they have faith in the employment service and they use it exclusively to get employees.

Mr. Smith (Calgary West): I realize that. But as I understood the minister a moment ago, the figure he gave was the number of persons who have visited his offices throughout the country.

Mr. Mitchell: That is it.

Mr. McIvor: In order to speak on this subject we have to understand both sides. Any man taking part in debate who knows only one side is pretty sure of defeat. I think I know labour from all points of view: first from the point of view of the man who toils, and afterwards from the point of view of one who had the opportunity and responsibility of hiring labour. I know it from the contractor's point of view, too. I have found there are four types of people who have their rights. The man who puts up the money for an industry has his rights, whether that industry is a wholesale or a retail concern, a coal mine or a pipe line. The management of industry have their rights. They have the right to be protected. The workers, too, have their rights. I admit that I am a good deal biased toward the man who toils. Then the consumers have their rights.

[Mr. Mitchell.]

We have to see this question of labour from all angles. My first word is that the former prime minister certainly understood labour and industry, as he wrote and as he practised it afterwards; otherwise he would not have put the name of Tom Moore, the former president of the Trades and Labour Congress of Canada, on the honour list of the king. No doubt his advice was that Tom Moore should receive the Order of the British Empire. I dare not say, Mr. Chairman, that there are others who should be in that honour list. I say my word now for the present Minister of Labour. He is not a graduate of a university; he is a graduate of labour. Had he been a graduate of a university he would not have said, as he did a moment ago, that the sun does not always shine on the one side of the fence. Had he graduated from a university he would have said that the sun shines down in all its majesty over all classes and distinctions of men, irrespective of class or creed. Which is the plainer?

In 1941 I sat over there and watched the proceedings. If the Department of Labour was ever in a mess, it was then. We had a labour board. Applications were piled high. The board was made up of experts, but they did not have the ability to handle their work quickly enough to keep the department out of trouble. Then our former prime minister came along and appointed the present Minister of Labour to the post he now holds. I met him first in Fort William, when we had difficulty in connection with unemployed as related to the relief camps. I cannot forget his statement to me then, that when a man does a day's work he should have a day's pay. He also said that if a man gets a day's pay he should do a day's work. That is what the minister has been saying ever since.

What happened? That labour board was changed. The deputy minister was appointed, and since then I do not think one would find a labour department in any country in the world that has done better work than the department presided over by the present minister. He showed good judgment when he did not allow his deputy minister to go. He gave him another year; and I hope he will give him another, and another and another, so that there will not be any loss to the country.

We have in Fort William business concerns paying salaries to their employees. In addition they pay commissions. Perhaps the hon. member for Calgary East would refer to that as profit sharing, but when a man goes into one of those stores he gets service and gets it immediately. I have gone into large places of business here in Ottawa—that is, large for

this city—and I have waited five or ten minutes before being served. The other day I could not wait any longer and had to go without being served. If those clerks were working on commission there would be a different story, because they would be anxious to earn their commissions.

I agree with those who have spoken that labour should have a share in profits. It would put pep into labourers, and it would be a good move for industry. The minister has said that a well-run labour union is a great asset to labour and to industry. We have that condition in Fort William, and, as has been happening in other places, we have been getting rid of the troublesome element. But a union run by someone who is narrow or selfish is a curse to labour, and such a leader does not earn his money. What we need is to have labour and management working together and, as the minister said, putting their feet under the table and talking across to each other on a fifty-fifty basis. When we have that we shall be making progress.

As another hon. member has pointed out, we have unemployment insurance and family allowances, both of which have helped us at the lakehead during our seasonal unemployment. That is one thing that stands out. I admired very much the way in which the national registration was carried out across this country. It was a difficult job, but they knew where the workers were, and whether or not they were working. I have taken this opportunity this morning to pay my tribute to the minister and to make the request that when the next king's honour list is brought out, consideration be given to him and his administration of the department.

Mr. Browne (St. John's West): I notice, Mr. Chairman, that the former item has been split and a new one created this year. The details are to be found at page 144. They disclose that the permanent positions have been increased from 18 to 41. We notice further that the cost of printing and stationery has gone up from $15,000 to $40,000.

The minister has referred to the *Labour Gazette*. I went to the library last night to look for unemployment figures, having been prompted to do so by the statement of the hon. member for Cape Breton South that there were 57,000 unemployed in the maritime provinces. The latest issue in the library was for the month of May, and the latest information about persons unplaced was that for March 30. As I recall it, there was published last year a weekly or bi-weekly bulletin, which appeared in mimeographed form and gave information with respect to labour. Today the minister has given us the information up to June 8. Is it not possible to have copies of that information? We are all keenly interested in the employment situation in our ridings and throughout the country. Since the vote for printing is increased, and there is a special division dealing with economic research, I submit we ought to be able to get labour information earlier than we get it from the *Labour Gazette*. It is two months old when it reaches us.

Mr. Mitchell: If the hon. member will look at the record he will see that while the permanent employees have been increased, there has been a decrease in the temporary staff. That is the reason for the change in those figures. I would assume, in connection with printing and stationery, that costs have gone up just as they have in other respects. I believe I have dealt with both matters mentioned by the hon. member.

The supplying of figures is receiving study at the present time by an interdepartmental committee. We have available figures issued by the Department of Labour, and also the spot check by the bureau of statistics. We are endeavouring to work out some formula which will give us as clear a picture of employment conditions in the dominion as is humanly possible. The hon. member may rest assured that when the time comes I shall be glad to supply that information.

As I have pointed out before, while I do not know what my hon. friend can do, I know if I read all the publications which come to my desk I would go blind. It is difficult to keep up with them. Perhaps hon. members may not realize that I did not leave this building until twelve o'clock last night, and I read until one o'clock this morning—and I am not saying that to draw attention to me personally.

Mr. Smith (Calgary West): The minister put himself to sleep that way.

Mr. Mitchell: It put me to sleep; that is correct.

Mr. Browne (St. John's West): What became of the bi-weekly sheet that was mimeographed and published last year? Was it abandoned?

Mr. Mitchell: We publish every month in the *Labour Gazette*.

Mr. Browne (St. John's West): But is there not another sheet?

Mr. Mitchell: I was away when that happened. I am responsible, and I am going to continue to be responsible for the information that goes out of my department. That sheet was sent out while I was away recently. I am going to see what is sent out. I want to give the best information I can to hon. members

and the country. My hon. friend may rest assured that if the interdepartmental committee succeeds in working out a formula I shall see to it that every member of the House of Commons gets a copy of the figures monthly, or whenever they are issued.

Mr. Adamson: May I pay a compliment to the minister's department for the work it is doing in the town of New Toronto. The national employment service office at that point is doing an excellent job, and is to be commended for the efficiency and courtesy with which they are doing it. This area contains a great diversification of industry, and so far as I know there have been nothing but compliments for the officials of that office. Can the minister give the maximum number of unemployed in that area during the last year and the number at the present time?

Mr. Mitchell: We do not have the figures for the separate offices, but we have them for the greater Toronto area.

Mr. Adamson: What is the figure for Toronto?

Mr. Mitchell: 13,750.

Mr. Adamson: What was the maximum figure?

Mr. Mitchell: I have not that figure here, but if my hon. friend wants it, I will get it.

Mr. Graydon: In matters of this kind I think that credit should be given where credit is due. About two weeks ago on a Sunday evening the employment service of the Department of Labour was broadcasting. My family and myself were greatly impressed by the broadcast, which had to do with some of the more intangible but essential details of how a person should approach a prospective employer. It was most constructive, and the facts were well marshalled. The broadcast was such as would compel the attention of the public, particularly those in the earlier years of life. It offered practical assistance to persons in their efforts to obtain employment. I cannot recall the name of the person making the broadcast, but I do want to tell the minister that I think that kind of information is really worth while to the young people who, having to learn in the hard school of experience, are at least given the opportunity of making a short cut.

Mr. Smith (Calgary West): I should like to ask a question covering the next four items, all of which show small increases. Am I correct in assuming that those are the normal increases in cost such as would occur in any business of this kind?

[Mr. Mitchell.]

Mr. Mitchell: That is a correct assumption. Most of them are salary increases.

Item agreed to.

General administration—

152. Annuities Act, $802,660.

Mr. Green: Recently a case was brought to my attention which I think should receive the consideration of the minister and his staff. An application was made for an annuity by a husband and wife, the husband then being in poor health. Practically all their savings were put into a joint survivor annuity. The husband died shortly after, and within a year the wife died also leaving a son about twelve years of age. Legally the position is that nothing can be paid to that boy.

I believe the amount paid in was $22,108, and $3,500 was received by the wife before her death, leaving a difference of $18,608. The present position is that a married daughter must provide for this young boy. I realize that legally nothing can be done in a case of this kind, but I suggest that the department take some steps to help out in this case. I suggest also that the annuities officers across the country be warned to look into each application to determine whether children are involved. I cannot believe that this father and mother would have taken out this contract if they had realized that nothing would be left for the small boy.

As I say, the father was in poor health at the time the application was made. The married daughter says that her father and mother believed that provision was being made for the mother and for the boy. A warning should be placed on the application forms to indicate that children will not be protected by that type of contract. I understand that until 1945 it was possible to buy a contract with a guarantee that would provide for a certain number of annual payments even if the applicants died before they were completed, but for some reason that contract was discontinued.

I ask the minister to see if something cannot be done for this unfortunate lad, and I wish he would review the possibility of taking some steps to prevent a recurrence of a case of this kind. I think it could be done by giving adequate warning to applicants for annuities that their children will not be protected by a contract of this kind.

Mr. Mitchell: I shall be glad to look into that case. It is the Stevens case, is it not?

Mr. Green: It is the case of Francis E. Stevens and Eva Helen Stevens, of Courtenay, British Columbia, the contract number being 123,217.

Mr. Mitchell: This was a contract. My hon. friend is a lawyer, and I assume that he knows something about insurance. I shall be glad to tell the officials to warn married couples that protection is not guaranteed for the children.

Mr. Green: Apparently the government will not issue a guarantee contract of that type.

Mr. Mitchell: I shall be glad to tell them that they should be very careful. You get the odd case. It is like life insurance. You have to die some time, although nobody wants to die. It is like fire insurance. Normal human beings, although they put fire insurance on their houses, do not want to see them destroyed. It is basic with all these things. I shall be glad to take a look at that and warn my people about the consequences.

Mr. Johnston: I do not know whether we are on item 151 or 152. We can hardly hear.

The Chairman: Item 152.

Mr. Johnston: I should like to ask the minister a question about annuities. How many annuity contracts were entered into last year compared with the number of contracts entered into the year prior to the reduction in the interest rate?

Mr. Mitchell: There is a drop of about fifty per cent.

Mr. Johnston: Can the minister give us an explanation of that?

Mr. Mitchell: I do not know that I could give any reason. People just did not buy them; that is all. This is a free country, and they went somewhere else to buy their annuities.

Mr. Johnston: The minister said there was a drop of about fifty per cent. Can he give us the actual figures?

Mr. Mitchell: I have the information here, but it is rather long. I do not want to put it on the record, but if the hon. member wants to look at it he may do so.

Mr. Johnston: Will the minister have it put on the record?

Mr. Mitchell: I shall be glad to do so, with the permission of the committee.

The Chairman: Has the minister permission?

Some hon. Members: Agreed.

Mr. Mitchell: The information is as follows:

CANADIAN GOVERNMENT ANNUITIES

Until about ten years ago very little use was made of Canadian government annuities for the purpose of underwriting retirement annuity plans. Since that time the development has been as follows:

March 31	Group contracts in force	Employees included
1940	4	1,240
1941	30	7,776
1942	49	11,180
1943	70	15,351
1944	154	28,919
1945	270	38,872
1946	433	56,227
1947	612	86,638
1948	708	113,401
1949	809	143,270
1950	846	158,959

Of the 158,959 employees included up to March 31, 1950, 36,973 were no longer participating for reason of retirement, death or termination of service, leaving a net total of 121,986 active participants.

In addition to group annuity contracts, approximately 300 pension plans covering about 8,000 employees were underwritten by individual contracts.

Premiums paid under contracts entered into in connection with retirement annuity plans amounted to $32,537,083.54 in the fiscal year 1948-49, and $36,506,202.65 in the fiscal year 1949-50.

Retirement annuity plans are underwritten by entering into a group annuity contract where a large number of employees is involved, and individual contracts for the smaller organizations. The premium rates are the same in each method of underwriting and are similar to the rates applicable to persons purchasing annuities as individuals. The normal type of plan is contributory, the employee paying a fixed percentage of earnings and the employer paying a similar amount or such amount as may be necessary to complete the purchase of a fixed annuity. The employer generally makes additional payments in respect of prior services. When an employee's service is terminated prior to retirement, he cannot withdraw his money but is credited with a paid-up annuity purchased by his own contributions and such part of the employer contributions as the contract may prescribe. In the event of his death before retirement, the total of his own contributions with interest and such part of the company contributions as the contract may prescribe will be paid to his heirs. On retirement, the annuity purchased by all contributions made on his behalf will be paid to him for life and generally carrying a guarantee that payments will be made for a minimum of five years.

The following are statistics as of the end of the fiscal year 1949-50 with respect to annuity contracts:

Total number of contracts and certificates issued since 1908 to end of 1949-50	292,978
Cancelled by death, etc.	34,299
Contracts and certificates in force end of 1949-50	258,679
Annuity contracts under payment (vested)	51,759
Deferred individual contracts	84,934
Registrations under group contracts	121,986
	258,679
Group contracts in effect	846

Details re group contracts

Registrations in effect	121,986
In receipt of retirement annuities	6,975
Died before retirement	2,280
Withdrawn following change of employment	27,718
Total number of employees or members who have been registered under group plans	158,959
Average annuity under payment (vested) with respect to group retirement plans	408

Analysis of individual annuity contracts under payment

Amount of annuity	No. of contracts	Per cent	Cumulative Per cent
Less than $300	20,235	45·2	45·2
$300 and less than $600	11,206	25·0	70·2
$600 and less than $900	6,517	14·6	84·8
$900 and less than $1,200	1,798	4·0	88·8
Exactly $1,200	4,876	10·9	99·7
Over $1,200	150	·3	100·0
Totals	44,782	100·0	

Average vested annuity, $439

During the past fiscal year some 37 group retirement plans were adopted and 15,689 group annuity certificates issued. Some 5,389 individual annuity contracts were also issued during the fiscal year 1949-50. These figures are included in the tables shown above.

The net premium receipt during the fiscal year 1949-50 amounted to $63,133,242, and the total to the credit of the annuities fund as at the close of the fiscal year 1949-50 amounted to $563,182,111.

Mr. Johnston: Has the minister any information as to the increase in annuity contracts issued by insurance companies?

Mr. Mitchell: I have no information. I have enough grief of my own without worrying about insurance companies.

Mr. Johnston: The minister says that he has no idea as to the cause of the decrease in the number of government annuities. The only thing he said was that this is a free country and people can do as they wish. Of course it was not the people who brought about the decrease in the interest rate. It may be a free country, but it was certainly the action of the government that was involved in that transaction. People are not buying government annuities—and the minister knows this as well as anyone else—because of the decrease in the interest rate from four to three per cent. There were a great many members of the house who complained at the time that action was taken, and who said that the natural outcome would be a diversion from government annuities to insurance company annuities. That is exactly what has taken place. Without question the insurance companies brought pressure to bear, either directly or indirectly, to have the interest rate on government annuities reduced.

[Mr. Mitchell.]

I had occasion to talk to officials of two large insurance companies as to their annuity contracts, and they told me frankly that they were not selling them because of the opposition provided by government annuities. Of course pressure was brought to bear, and as a result the insurance companies secured the business. The ordinary man with an average income is deprived of the right to invest in a government annuity contract. He has no place to invest his money now with reasonable safety and with a return anywhere near four per cent. I think the government should take into consideration the advisability of raising the interest rate to four per cent so that the ordinary small businessman and other private citizens will have some place to invest their money in order to provide for their old age. They cannot do so in any other field. A man who is earning only $150 or $200 a month cannot afford to use any portion of his salary as risk capital. If the government is going to bar such people from investing their savings in government annuities, it will only mean that later on they will have to take care of them by means of old age pensions, which will be more costly to the government than if they would allow such people to invest in government annuities. I think the government should consider the advisability of reinstating the interest rate at four per cent in order to provide a field of investment for the ordinary man.

Mr. Mitchell: I just want to say that to my knowledge I have never met an insurance company executive in my life.

Mr. Johnston: I did not say you personally.

Mr. Mitchell: That is all right. I am not arguing with my hon. friend. I am just saying that. If he is trying to convince me to reverse the position that has been taken on this matter he is up against a stiff proposition. As I pointed out when the interest rate was reduced, my officials came to me and said that on the present business there would be a loss of $150 million in ten years. They said that if we did not bring about a balance as to the return on money invested that would happen, and that is quite a responsibility. Insurance is not the only thing in which people invest to provide for their old age or a rainy day. They buy government bonds, and some make risk capital investments. I hope my hon. friend is not going to suggest to me that he and I and the Canadian people generally should subsidize something for nothing. I have never taken that view. It may be an unsound view in the opinion of some people. I agree with everything the hon. member said about saving for old age, but let me say that since the inception of

this scheme it has cost the Canadian taxpayers around $34 million—$7 million for administration, and approximately $27 million to maintain the solvency of the fund. The Canadian taxpayer pays the whole cost of administration. I still think that the safest and cheapest investment, based on the character of the Canadian people, is government annuities.

Mr. McLure: That is debatable.

Mr. Mitchell: It is a matter of opinion, but for what it is worth that is my point of view. I have no axe to grind for any interest, and I still think that government annuities are the best and safest investment for people who wish to provide for their old age.

Mr. Johnston: Of course the minister claims that one of the reasons for the reduction in the interest rate is the tremendous amount that the government had to subsidize. That may be true. He spoke about administration charges of $7 million. I venture to say that that charge still remains the same because the fact that you reduced the interest rate from four per cent to three per cent would not lower the administration charge a great deal, if at all. The only place that there might be a saving to the government would be in the reduced number of contracts entered into. If that is the case, then the intention of the government in reducing the interest rate from four per cent to three per cent was definitely to reduce the number of contracts and not to reduce the administration charge. If the minister will give us the figures as to the administration charges, the committee will see that there has been no appreciable saving in that direction. Will the minister give us the administration cost for last year compared with the year prior to the reduction of the interest rate?

Mr. Mitchell: The figures here are broken down into stationery and the different items. Roughly, the cost was about one and one-quarter per cent of the receipts.

Mr. Johnston: But what was the reduction in administration costs?

Mr. Mitchell: No; that is the administration cost.

Mr. Johnston: But what does the minister mean by that?

Mr. Mitchell: In talking about a business you say that it costs so much. This is the overhead, the cost to run it, which is about one and one-quarter per cent of the net receipts.

Mr. Johnston: I can quite see that there could be a figure arrived at in that way. If you are going to have a material reduction in administration, obviously you have to discharge some of your employees or get rid of some of these overhead charges. I venture to say that as a result of this reduction in interest rate from four to three per cent you did not reduce your overhead charges to any appreciable degree. The net result would not be a saving in administration at all.

Mr. Mitchell: I can give you the amount in round figures. In 1948-49 the commissions amounted to $260,000, and in 1949-50 they amounted to $244,000.

Mr. Johnston: That is not the information I want. The commissions of course would be less because the contracts were reduced, but that has nothing to do with administration.

Mr. Mitchell: I shall give my hon. friend the total figures. The total for 1948-49 was $725,000, and for 1949-50 it was $758,000.

Mr. Johnston: Do I take it from that that the administration costs were increased? I understood the minister to say the first figure was $725,000.

Mr. Mitchell: My hon. friend is aware of the fact that there was a revision of salaries last year, and the permanent staff received salary increases. My hon. friend received an increase a few years ago for being a member of this House of Commons.

Mr. Johnston: That revision in salaries, then, would have brought the administration charges higher?

Mr. Mitchell: Yes; I have just said so.

Mr. Johnston: I imagine that revision in salaries takes place every so often, and I am not complaining about the increase in salaries. I am pointing out to the minister that there was no saving in administration costs. More is being paid for administration than there was before.

Mr. McLure: Are these annuities sold by salaried men or by commission agents?

Mr. Mitchell: They are sold on commission.

Mr. McLure: No salaries at all, but just a straight commission? What commission do the salesmen receive?

Mr. Mitchell: The maximum amount on a policy is $75, but it depends on the terms. If my hon. friend wants a break-down of the amounts, I shall be glad to get it for him.

Mr. Noseworthy: Mr. Chairman, I notice in the details for this item appearing on page 145 an amount of $290,000 estimated to be necessary for commissions to agents and postmasters. We were not able to hear the minister's answer to the question just asked. Could he tell us the rate of commission paid

to postmasters and agents? How many agents other than postmasters are employed by the annuities branch? Are any of those agents employed full time?

Mr. Mitchell: I can answer the last question first, because you do not have to have any figures. I have always felt that most insurance agents worked rather long hours. I can get the other figures. There are about seventy-five agents.

Mr. Johnston: Can the minister tell us by what amount the staff has been reduced?

Mr. Mitchell: It has not been reduced.

Mr. Johnston: Has it been increased?

Mr. Mitchell: Not to any appreciable extent. There may have been a slight increase. My hon. friend is talking about these annuities, but it is amazing the pressure upon me to have people appointed as agents, even with the reduction in interest rates. Six new people have been appointed.

Mr. Johnston: There has not been a great saving effected in overhead; it has gone up rather than down. For 1950-51 there is a total of $802,660 in the estimates, as compared with $785,871 for 1949-50. The only place that I can see where any change has been brought about is that while overhead has gone up, the number of contracts sold is smaller. The net result has been that people have suffered a loss through not getting the benefit of the higher interest rate, and the expenses are going on just the same. My opinion is that we should go back to the old contract. Our costs would not be any more, and yet people would be getting the advantage of the increased rate.

Mr. Mitchell: As my hon. friend knows, there is over half a billion dollars' worth of this insurance in force today. Even if we were to repeal this act and did not sell annuities, those contracts would still have to be serviced. I am not an insurance executive, but probably my hon. friend is.

Mr. Johnston: No; I just know how it works.

Mr. Mitchell: I thought my hon. friend might have been an insurance executive.

Mr. Browne (St. John's West): Will the minister give us the revenue and expenditures of the annuity fund to March 31 of last year?

Mr. Mitchell: The receipts for last year were $63 million, and the expenses were $758,000.

Mr. Browne (St. John's West): The minister is speaking of the administration item, whereas I am speaking of the revenue and expenditures under the annuity contracts, including the premiums.

Mr. Mitchell: I shall get that information.

Mr. Graydon: How does the cost of doing business compare with the ordinary insurance companies?

Mr. Mitchell: Slightly less. The commissions are not so high.

Mr. Graydon: Of course you do not have to pay for office space.

Mr. Mitchell: The government pays administration costs.

Mr. Gillis: Mr. Chairman, at the time the government proposed to decrease the interest rate on these annuities there was a lot of objection in this house. The story today is not surprising. On a good many occasions the minister has declared that he is opposed to the government being in business. This is not a bad way to discredit government business. The reduction in interest has definitely caused a drop of fifty per cent in the value of the annuities issued; and in addition the minister has said that the staff has been increased. If the staff remained the same and there was a drop of fifty per cent in business, it would increase the overhead of the department by one hundred per cent.

My reaction to this is that it has been the result of pressure from the old line insurance companies, which could not compete with the annuities branch. I was quite proud of that branch; I have circulated a good deal of literature on government annuities. The point I make is that this is a very effective way of sabotaging a branch of this department which has been doing an excellent job in this field. Certainly we cannot expect people to promote a government enterprise when they definitely take the position that they are opposed to that kind of thing. This branch was doing excellent work, and I believe it could have been expanded. My feeling always has been that this is the branch that should be handling industrial pensions in this country on a national scale. It has the trained staff; and it should be handling old age pensions tied in with industrial pensions. Certainly we should continue to push this annuity policy right across the country. Prior to the reduction in the interest rate we heard very little about that branch in this house, because I believe all hon. members realized that it was doing an excellent job. I still suggest that the minister should consider putting the interest rate back where it was before this experiment was started.

Mr. Smith (Calgary West): If I may ask one simple question, is it not true that prior to

the change in the interest rate, the more annuities you sold the more money you lost?

Mr. Mitchell: Absolutely. As a boy I was taught many things that stuck in my memory. One of them was that you cannot get something for nothing; another was to always put a little away for a rainy day, because the sun does not always shine. As the hon. member for Calgary West said, I do not think it is proper to ask the people of Canada to subsidize this kind of insurance. If a business were run in that way it would not last twenty-four hours. At the present time we have a committee studying the whole broad question of old age security, and no doubt it will take a look at the matter brought up this morning by the hon. member for Cape Breton South. I am inclined to agree with the observations he made about old age pensions, but I want to be perfectly frank about this. I have said that governments sometimes do things in reverse, and that is what hon. members are trying to do this morning. This money has to come from the taxpayers of the country, and frankly I do not take the view that this should be done. I still do not believe you can get something for nothing, and if any government undertaking is run at a loss, that loss has to be paid by the taxpayers. We must remember also that those taxpayers may have annuities of their own with private companies, co-operative organizations or trade unions.

Mr. Ferrie: Is it not a fact that the loss does not come about through administration but in selling the annuities?

Mr. Mitchell: Absolutely.

Mr. Ferrie: In other words if the government can buy money more cheaply elsewhere, why should they buy it from the labour department at a higher cost?

Mr. Mitchell: That is the point.

Mr. Bater: Are all postmasters automatically agents for the sale of these annuities, and do they receive the standard commission?

Mr. Mitchell: They receive the standard commission.

Mr. Bater: And all postmasters are automatically agents?

Mr. Mitchell: Yes.

Mr. Noseworthy: I am quite sure the country at large will be glad to hear the minister's declaration of faith in these annuities, because in practically every part of this country where the question of government annuities has come up I have sensed the feeling that the government is not interested in pushing government annuities; that the insurance companies are opposed to the sale of this insurance, and that the officials responsible for this undertaking get no support or encouragement from the government because the government does not want these annuities sold in competition with the insurance companies. Therefore it is good to hear what the minister said this morning; but I have noticed something else. We are carrying on an insurance business. I know a little about that; for some years I have worked with an insurance company. I find here that notwithstanding the drop in business there has been an increase in the staff. I am not speaking of any increase in salaries; there is an actual increase in the staff. That is the inside office staff; not one of those 208 employees working in the annuities branch is working outside in order to get business. Apparently the only people who are getting business are the postmasters. There is just no drive behind this business.

I notice that $50,000 is being asked for publicity and advertising. Will the minister tell us just what advertising media are used and just what drive is being put into the sale of annuities by his department?

Mr. Mitchell: In the last month I have sent out 150,000 letters to employers in this country advocating the adoption of a group plan under the Government Annuities Act. We are advertising all the time. I believe the drop in sales last year occurred at least partly because people thought the interest rate was going to be increased again from three per cent to four per cent. However, as I say, we have seventy-five salesmen and forty officers, and goodness knows there are enough postmasters in this country, who are paid the same commission as the salesmen.

My hon. friend has mentioned the increase of six in the staff at the head office. It is big business when you have over half a billion dollars' worth of insurance which requires servicing. It is like building a ship. People think there are a great many men working in a shipyard, but actually more people are employed in planning a ship than in building it. You cannot service an enormous undertaking like this without some kind of organization. I can quite imagine the howls that would go up in this chamber if we reported a loss of $50 or $60 million on that half billion dollars' worth of business. I am the minister charged with the responsibility of seeing that this fund is kept liquid, and I am not going to take advice from any fly-by-night who wants to give away the country's money in an unsound undertaking. That is the position I take. It may be the wrong position politically, but that is the position I have always taken.

Mr. Johnston: It seems to me that this thing is doomed to failure. The minister assumes that it is unsound business practice to have the government take any part in this annuity business.

Mr. Mitchell: I never said that.

Mr. Johnston: In effect that is what the minister said.

Mr. Mitchell: On a point of privilege, I never said that. I say to my hon. friend that this annuities branch will be running a long time after he is dead, and a long time after he ceases to be a member of this House of Commons, and a long time after I cease to be a member of it. I have absolute faith in this undertaking. Let us be frank and honest about it. I am not going to fool the Canadian people and run it at a loss, you understand, not while I am breathing.

Mr. Johnston: I think, Mr. Chairman, it may be assumed from what the minister has said that this annuities branch is still running at a loss. One of the reasons it is running at a loss is the unsound business practice carried on in its operation. The minister may be reducing that unsound position to some extent; but the fact is, he has no faith in it anyway, and will not—

Mr. Mitchell: Mr. Chairman, on a point of privilege, I never said that I have no faith in it. I have absolute faith in it. I wish that every industrial undertaking in Canada would take out a group annuity policy for its employees. I wish my hon. friend would take out a government annuity.

Mr. Johnston: I have not enough money.

Mr. Mitchell: There you are. The hon. member does not know what he is talking about.

Mr. Johnston: The minister says he has great faith in this thing. Just a moment ago he rose in his place and deplored the idea of the government having to subsidize this or any other business, and said that subsidies were unsound. He forgets that there are a great many industries in this country that are being subsidized. He forgets the extent to which the railways of this country are being subsidized, the banks are being subsidized, and everything else is being subsidized. The railways have been subsidized to the greatest extent in the Dominion of Canada. I did not hear anybody condemning the railways for taking subsidies. But when there is a subsidy paid to the annuities branch so that the ordinary citizen of this country may have some benefit from it, there is a great hullabaloo about it. Look at the way the gold mines have been subsidized. You do not hear hon. members complaining about that, but you hear a lot of complaint about an industry from which the ordinary man, the small man, the man who is on a small salary, can get some benefit. If he is the recipient of any subsidy there is a great complaint. When I hear people complaining about the little bit of subsidy that goes to the annuities branch it gives me a pain in the ear, especially when we recognize that so many of the great companies in this country are being subsidized and no fuss is made about it. We cannot expect very much from the annuities department.

Item agreed to.

General administration—

156. Labour Gazette and other publications authorized by Labour Department Act, $116,763.

Mr. Browne (St. John's West): What other publications are there besides the *Labour Gazette*?

Mr. Mitchell: "Labour Legislation in Canada," *Labour Gazette*, figures on the unemployment situation—various publications that we get out from time to time, and the broadcast my hon. friend was talking about that came over the air; that is issued, too.

Item agreed to.

General administration—

157. To provide for the effective organization and use of agricultural manpower, including recruiting, transporting and placing workers on farms and related industries and assistance to the provinces pursuant to agreements that may be entered into by the Minister of Labour with the provinces and approved by the governor in council, $320,000.

Mr. Gillis: Can the minister tell us to what extent this vote was used last year, and what plans he has with regard to moving people from province to province to assist farmers? Is it in use now where there is a shortage of farmers? To what extent did the minister use the vote last year?

Mr. Mitchell: At the moment we are moving people from western Canada to Ontario. We have agreements with all governments in Canada to move people backwards and forwards. I think it is a magnificent experiment. It worked well during the war. I hope we shall continue it. It is on a fifty-fifty basis with the provinces. At the moment we have a small movement from Newfoundland which is being used as a trial balloon. We have moved, as my hon. friend knows, people from his part of Canada to other parts of Canada.

Mr. Gillis: That also will continue?

Mr. Mitchell: Yes.

Item agreed to.

Vocational Training Co-ordination Act, 1942—

159. Training payments to the provinces, $3,333,000.

Mr. Browne (St. John's West): On this vote I should like to compliment the minister on having introduced the vocational educational scheme in Newfoundland. We had a vocational school down there, and with the assistance of money from this vote we are carrying it on. Has he any idea of the amount that is allocated for Newfoundland?

Mr. Mitchell: I will get that figure.

Item agreed to.

Vocational Training Co-ordination Act, 1942—

160. Payments to the provinces for capital expenditures for vocational schools, buildings and equipment, $2,250,000.

Mr. Noseworthy: This is one field in which the Department of Labour has done an excellent job over the years. As one who has had some interest in the schools of Ontario, and to some extent of Canada, I want to compliment the minister and his department on the good work they have done in this field. However, the fact that they have been doing good work is no reason why they should begin to rest on their oars. What I had hoped to find was that once the government had been relieved of a large part of the expenditures which for some years they have been paying out to assist in the education of veterans who returned from the services, there would be a reasonable proportion of government money kept for use in education, and that it would be possible to retain some commensurate amount, once the education of veterans had been completed, for the general educational system, particularly vocational education in Canada.

I find that there has been no increase in the vocational grants of the Department of Labour. As a matter of fact there has been some reduction. Partly because the department is no longer training so many people for the armed forces, there is a reduction this year of close to half a million dollars in that one field where a year ago they were training men for the Department of National Defence, in which apparently there has been some change. Apart from that there has been practically no change whatever in the amount requested for vocational education under this item. Actually there is a reduction of $750,000.

The question I brought to the minister's attention last session I want to bring to his attention again, namely, the great need in the country today for further assistance in capital expenditures on vocational education. On a former occasion I called the minister's attention to an item in his annual report for 1948-49 on Canadian vocational training. I have called the minister's attention to an item at page 7 which I should like to read into the record. It states:

> At the meeting of the vocational training advisory council which was held on October 4, 1948, various members drew attention to the fact that increased costs for new buildings, and higher operational costs of vocational schools, have reduced the value of the grants which were provided under the vocational schools assistance agreement. The availability of dominion funds has given a notable impetus to vocational education in Canada and has been responsible for an active program of development in practically all provinces.

I am sure the minister realizes that and approves of it. He is wholeheartedly behind it. Educationists and school authorities across Canada appreciate the assistance that has been given under the act, and the help given by the federal government to vocational education. Then it continues:

> The council felt that it was in the interests of Canada that facilities for vocational education should be strengthened and developed as speedily as possible. It recommended that a further grant of $5 million be made by the dominion for capital expenditures, to be distributed on the same basis as the earlier capital grant, and that the annual grants be increased from $2 million to $4 million. At March 31 these recommendations were still under consideration.

That was the position as of March 31, 1949, well over a year ago. There is nothing in the estimates to indicate that those recommendations have been given favourable consideration, or that anything has been done to implement them.

I do not know whether the minister is aware of it or not, but before this report was made there were seventy-eight schools for vocational education being built across this country, for which no federal aid would be available. Those buildings had been planned after the date for application under this fund had passed. I live in an industrial community of from 80,000 to 100,000 people, where there is no vocational school as such. We have commercial branches in our collegiate; but in a working-class riding, with one of the largest percentages of industrial workers to be found anywhere in the province, there is not in that entire community of York township a single vocational school. The community is not in a position to build a vocational school that would be adequate, by its own resources, or with the percentage of assistance which could be received from the province.

They were planning to build a school, but unfortunately they did not get their plans down here in time to get under the wire so far as the grant is concerned. They have had to curtail extensively the facilities offered at the school because no longer is there any federal aid available. That picture applies

to possibly more than a hundred communities. There were close to that many in 1949 when this report was made.

Today there are scores of communities all across Canada where vocational education will be handicapped if there is no extension of this federal grant. If the minister and his department could secure for educational purposes, or for vocational education in Canada, a fraction of the money the government spent over the years for the training and education of returned men, it would be a splendid thing for vocational education across this country. The government is now relieved of the burden in respect of the returned men.

I should like to have a definite answer from the minister in this instance. I did not receive direct answers to my questions last night. Has consideration been given to this recommendation, and what has been the result of that consideration by treasury board, or whoever it is that decides whether the minister is to receive the money for which he asks? Has consideration been given to the report to which I have just referred, and if so, what has been the result of that consideration? What chance is there for vocational educational authorities to have an addition to the original grant?

Mr. Mitchell: As the hon. member knows, this does not run out until 1952. The question he has raised is under consideration by treasury board. I cannot give the hon. member the direct answer he wants but it will be announced in due course as a matter of government policy. I join with him in commendation of the work of the municipalities, the provinces and the federal government in this regard. I think we quickened the pulse of technical and vocational education in this country, as well as that of apprenticeship education.

Replying to the hon. member for Cape Breton South, the school at North Sydney will not be closed down.

Replying also to the hon. member for St. John's West, the allotment last year for Newfoundland was $357,000.

Mr. Gillis: Would the minister give a provincial break-down for last year?

Mr. Mitchell: I shall be glad to do that. If we complete these estimates today I shall give the information to the hon. member tomorrow when the orders of the day are called.

Item agreed to.

[Mr. Noseworthy.]

Terminable services—

163. Vocational training for discharged members of Canada's armed forces, including undischarged commitments of previous years, $50,000.

Mr. Smith (Calgary West): Does the amount of the reduction here indicate the end of this vote? Will this be the last year?

Mr. Mitchell: I think this year will be the last.

Mr. Ferrie: Mr. Chairman, I should like to congratulate the minister and his department upon what has been done by them for the boys who came back from overseas in the matter of education they received. We first gained experience when the troops returned from the first war. In 1944 provision was made for those returning from the second world war. It dealt particularly with those who had joined the forces before completing their education. They were permitted to continue, with the government taking care of them to see that they were given an opportunity to complete their education. The experience gained should not be lost, it should continue to be used. There are many young fellows who have obtained an education up to a certain point but who find they cannot carry on. I agree that we must have hewers of wood and drawers of water, but they can do their work more efficiently if they have education and training.

The job that was done by the Department of Labour for the troops and veterans should be carried on for the benefit of the civilian population. When a youth has reached grade level and wants to go ahead, why not give him the same examination you gave the troops? If some are eliminated, as some of the veterans were, let them be eliminated; but let us carry on and give every boy or girl who wants an education but cannot go on because of financial reasons the right to climb the ladder. This educational scheme has been a wonderful thing for Canada, and the experience should be used.

Many young fellows came back to the farm after the last war but did not want to stay on the farm. Some of them had gone as far as grade ten or grade eleven and they were sent to the agricultural schools for further education. When they came out they were willing to go back to the farm to take care of the soil. They learned at the university that the soil had to be taken care of, that erosion must be stopped, that the soil must be nurtured if they want to make a living. In closing I want to say to the minister that I think the organization he has should be used to help the civilian population and not be destroyed.

Mr. Mitchell: May I be permitted to put on the record the information asked for by the hon. member for Cape Breton South?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Mitchell: This is the information asked for:

TABLE 9—ASSISTANCE TO VOCATIONAL SCHOOLS—SPECIAL ALLOTMENT FOR CAPITAL EXPENDITURES

Province	Buildings			Equipment		
	Total Allotment	Claims paid during 1949-50	Claims paid during previous years	Total Allotment	Claims paid during 1949-50	Claims paid during previous years
	$	$	$	$	$	$
Newfoundland	219,185	—	—	73,065	—	—
Prince Edward Island	61,500	—	61,500.00	20,500	3,248.96	957.93
Nova Scotia	378,225	209,409.59	58,388.64	126,075	—	—
New Brunswick	324,750	324,750.00	—	108,250	30,119.79	—
Quebec	2,354,550	29,795.30	2,152,749.41	784,850	149,951.34	518,501.95
Ontario	2,273,625	320,017.92	239,894.58	757,875	24,242.83	35,654.37
Manitoba	492,000	144,839.30	111,899.33	164,000	7,090.57	—
Saskatchewan	643,650	149,855.00	312,959.01	214,550	31,435.05	16,795.80
Alberta	525,150	206,485.24	223,401.12	175,050	31,063.27	94,951.38
British Columbia	446,550	312,132.26	134,117.74	148,850	80,057.46	61,153.70
Totals	7,719,185	1,697,284.61	3,294,909.83	2,573,065	357,209.27	728,015.13

TABLE 10—ASSISTANCE TO VOCATIONAL SCHOOLS—ANNUAL ALLOTMENT

Province	Annual allotment and grant*	Claims paid during previous years	Claims paid during 1949-50 to 30th April		Total of payments to 30th April, 1950
			For previous years	For 1949-50	
	$	$	$	$	$
Newfoundland	65,800	—	—	—	—
Prince Edward Island	25,700	93,492.33	—	16,000.00	109,492.33
Nova Scotia	106,400	107,041.92	38,996.21	34,168.87	180,207.00
New Brunswick	92,700	349,699.34	10,000.00	92,700.00	452,399.34
Quebec	609,400	2,329,351.05	108,249.15	498,140.58	2,935,740.78
Ontario	589,000	2,356,000.00	—	589,000.00	2,945,000.00
Manitoba	135,300	64,845.28	8,050.49	29,791.69	102,687.46
Saskatchewan	173,900	365,527.91	7,500.00	131,273.08	504,300.99
Alberta	143,800	520,269.74	—	143,800.00	664,069.74
British Columbia	123,800	374,718.03	83,710.79	47,272.36	505,701.18
Totals	2,065,800	6,560,945.60	256,506.64	1,582,146.58	8,399,598.82

*$10,000.00 in each province is an unmatched grant.

Item agreed to.

Terminable services—

164. To provide the necessary financial requirements to complete activities for the relocation, maintenance and welfare of persons of the Japanese race in Canada, including provision for undischarged commitments under agreements with the provinces and to continue the appointment of necessary temporary assistance required for the administration thereof, $52,780.

Mr. Smith (Calgary West): Is this a disappearing item?

Mr. Mitchell: Yes.

Mr. Smith (Calgary West): Does the minister expect that this will be the last year?

Mr. Mitchell: We have one project at New Denver to take care of older people who have tuberculosis, and arrangements are being made to have that responsibility assumed elsewhere.

Item agreed to.

Terminable services—

166. To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms and other essential industry in Canada when Canadian labour is not available to meet the need; including costs connected with the supervision and welfare of persons already immigrated to Canada under former authorized labour movements and administrative expenses connected therewith, $783,340.

Mr. Smith (Calgary West): Perhaps the question I want to ask here would be more appropriate under the immigration items. I notice there is a decrease of $112,335. Can the minister tell us if it is intended to have assisted immigration?

Mr. Mitchell: Up to now we have brought in about 80,000 displaced persons from Europe. Their fares were paid from the ocean port to the places of employment, and we run the vocational schools. I have always expressed the opinion that you will have to fill up this country if you are going to hang on to it. I am a great believer in the efficacy of the melting pot. I think there has been a complete change in public opinion with regard to immigration. You cannot take the figure of 13 million people and think you can hold it indefinitely. While I am charged with this responsibility I am going to say who is going to come here and who is not. They are going to be screened. If they want to start a revolution, whether it be fascist or communist, they are not going to do it here if I can avoid it. We have a physical test for these people. When I first came to Canada over forty years ago—

[Mr. Mitchell.]

Mr. Smith (Calgary West): I gather that the answer to my question is yes?

Mr. Mitchell: I just wanted to point out these facts to let people know which way we are going. When I first came to this country if you could stand on your two feet you were in. I think we have the right to give a physical examination. When the Polish soldiers were brought in I think it is fair to say that the examination was not as strict as it is today, with the result that a number of them had to be sent to sanatoria. I do not think we should assume that responsibility if we are in position to avoid it.

Mr. Smith (Calgary West): How many of these displaced persons have bought out their contracts? I understand that some of them have not completed their year in employment, as arranged, but have paid back their passage money in order to have freedom of action in seeking other employment. Can the minister tell me how many there are of this type?

Mr. Mitchell: About 365. There is one thing: we cannot prevent these girls from getting married. It is a natural thing to do and, God bless them, I like to see them get married so long as they marry decent fellows.

Mr. Smith (Calgary West): I attended a little wedding last winter and I was told that a king from one of the small European countries was there.

Mr. Adamson: How many displaced persons have come into Canada since the inception of this plan?

Mr. Mitchell: Eighty thousand.

Mr. Herridge: I agree with the minister when he says that we have to have population in this country, but there should be careful planning as to where that new population is directed. I should like to bring two cases to the attention of the minister. I was out in the country last fall and found some work going on for the provincial government under a subcontractor. There were several displaced persons employed by that subcontractor at wages lower than the standard rates, while boys who had fought for this country and who had been born in that district and lived there all their lives were in need of work. That is a poor distribution of labour.

I happened to get on the train one day and saw a family in the tourist coach and asked who they were The answer was: "They are some of Dr. MacNamara's tourists". What happened was that the family was sent from

Ontario to a first-class farmer in my constituency who had an excellent home for these people to live in. The farmer made every provision for them in the way of a decent home, wages and good living conditions. These people found it lonely because the house was about a quarter of a mile away from their nearest neighbour. They did not like it. There were communications between my district and Ottawa officials, telephone calls, telegrams and so on, at the public expense. Finally these people were provided with transportation from Kaslo to Nelson, and then railway tourist transportation for the man, his wife and family of children, including dining car tickets on the train, back to Ontario.

I should like to know where the advisory boards come into the picture in the operations of the department. It seems to me that totally unnecessary expense was involved in the instance I have cited. We have already paid our share to bring these people to Canada, and then we transport them all the way back to Ontario. If it had been a good old Britisher he would have been told to rustle for his living. I should like the minister to explain what the procedure is in such cases, because in my opinion it is a waste of public funds.

Mr. Mitchell: I can do it in two minutes. I suppose the hon. member wants an answer, although to be honest I know nothing about the case to which he has referred. I would say that on the average these people are just as good as any others. We could not have undertaken the power development on the Ottawa river if it had not been for such people. I am not concerned about voices in the street; I want facts.

Mr. Herridge: I am giving facts.

Mr. Mitchell: Just because somebody writes a letter to you or me and puts it on paper does not mean that it is true.

Mr. Herridge: If the minister will check he will find what I have said is correct.

Mr. Mitchell: I will check it. What I want to impress on the committee is that, like my hon. friend, I get thousands of letters, but just because somebody picks up a pen and puts something on paper it does not necessarily follow that the facts are as they outline them.

Mr. Herridge: Mr. Chairman, the farmer himself informed me.

Mr. Mitchell: That may be true. I do not know the farmer, but if my hon. friend would get in touch with me instead of spending $60 a minute discussing an individual case in this committee, I should be glad to have the matter investigated.

Mr. Smith (Calgary West): I think I can answer it quickly. It is merely an exemplification of the new slogan of the Liberal party: Join the Liberal party and see the world.

Mr. Herridge: I gave that case as an illustration. I am not saying it happens on a large scale. I suggested that I thought it was a waste of public money. There should be some provision for locating such people without having to bring them back across Canada.

Item agreed to.

Unemployment Insurance Act, 1940—

167. Administration, including expenditures incurred in connection with the activities of the national employment service as delegated by the Minister of Labour in accordance with section 88 of the act (including technical personnel division), $22,043,330.

Mrs. Fairclough: Will the minister tell us the amount of the fund as of March 31, 1949, additions that were made thereto, contributions, amounts of payments made therefrom and the balance in the fund at March 31, 1950?

Mr. Mitchell: I have a complete breakdown and with the permission of the committee I will have it put on the record.

The Chairman: Has the minister permission?

Some hon. Members: Agreed.

Mr. Mitchell: The breakdown is as follows:

(Table appears on following page.)

UNEMPLOYMENT INSURANCE FUND

Statement of Receipts and Disbursements for the Period July 1, 1941 to April 30, 1950.

Fiscal Year Ended March 31	Receipts								Disbursements	Balance
	Contributions (Gross less refunds)					Fines	Interest on investments and profit on sale of securities	Total revenue	Benefit payments	Balance in fund
	Stamps	Meter	Bulk	Total employer and employee	Government					
	$	$	$	$	$	$	$	$	$	$
1942	22,436,001.56	7,209,058.48	6,790,549.01	36,435,609.05	7,287,121.81	.....	269,268.74	43,991,999.60	27,752.92	43,964,246.68
1943	30,408,651.15	13,645,258.63	13,380,741.65	57,434,651.43	11,487,057.90	638.11	1,840,448.56	70,762,796.00	716,012.75	114,011,029.93
1944	31,565,232.54	13,205,897.37	16,949,655.09	61,720,785.00	12,344,421.74	1,323.67	3,972,047.14	78,038,577.55	1,721,666.29	190,327,941.19
1945	32,784,177.12	11,926,369.85	19,018,308.47	63,728,855.44	12,746,179.30	2,041.02	6,195,926.42	82,673,002.18	4,966,483.51	268,034,459.86
1946	34,964,786.96	10,816,365.63	16,785,437.07	62,566,589.66	12,513,778.66	2,303.66	6,116,768.84	81,199,440.82	31,993,240.34	317,240,660.34
1947	41,042,425.28	11,500,028.37	23,472,577.26	76,015,030.91	15,203,457.58	3,820.43	7,529,985.56	98,752,294.48	43,114,329.18	372,878,625.64
1948	38,768,926.38	11,508,638.62	33,593,269.47	83,870,834.47	16,366,400.70	5,322.60	9,560,776.12	109,803,333.89	34,947,020.32	447,734,939.21
1949	46,686,689.27	14,363,308.41	37,531,562.30	98,581,559.98	20,924,013.71	8,359.08	12,113,317.56	131,627,250.33	49,826,752.16	529,535,437.38
1950	52,434,153.88	14,189,075.34	37,809,186.72	104,432,415.94	20,094,332.20	17,731.42	14,391,257.71	138,935,737.27	85,824,202.13	582,646,972.52
April	4,138,402.34	1,247,128.59	3,627,083.86	9,012,614.79	1,799,207.99	1,675.00	1,207,873.23	12,021,371.01	14,340,068.84	580,328,274.69
Total	335,229,446.48	109,611,129.29	208,958,370.90	653,798,946.67	130,765,971.59	43,214.99	63,197,669.88	847,805,803.13	267,477,528.44	580,328,274.69

Armed service (included in "bulk" column): To March 31, 1950.....$ 47,859,038.64
April 1950..... 773,696.09

48,632,734.73

Supplementary benefit (included in "Disbursements" column):
To March 31, 1950.....$ 818,065.89
April 1950..... 2,487,558.22

3,305,624.11

Mr. Browne (St. John's West): There are two or three matters to which I should like to direct the attention of the minister. As he is aware, owing to a combination of circumstances the unemployment situation is worse in Newfoundland at the present time. One reason is the failure of the steel plants in Great Britain to keep their contracts for the sale of iron ore. There are two other places where men are not able to avail themselves of the benefit of the unemployment insurance fund. Has the minister given consideration to working out a scheme whereby fishermen can receive some advantage from a system of unemployment insurance, possibly in the same way that farmers of the west, who do not catch any fish, receive aid? Those who work in the fish plants draw unemployment insurance when no fish come in, but the fishermen do not.

Mr. Mitchell: If I may interrupt my hon. friend, I think it would save him making a long speech.

Mr. Browne (St. John's West): I was not going to make a long speech.

Mr. Mitchell: As a matter of fact the matter is being studied at this very moment. I gave instructions to my people to make a study.

Mr. Browne (St. John's West): I am glad to know that the minister is studying that problem, because it is most important, and I think something should be done.

The next point concerns the workers at the United States bases. There are about three or four thousand men and women involved.

Mr. Mitchell: Negotiations are being carried on at the moment with the United States government.

Mr. Browne (St. John's West): Has any progress been made?

Mr. Mitchell: Yes, I would say that progress is being made.

Item agreed to.

Unemployment Insurance Act, 1940—

168. Government's contribution to the unemployment insurance fund, $23,000,000.

Mr. Smith (Calgary West): I notice there is an increase of $4 million. I do not say this by way of complaint, but would the minister say a word as to the reason for it? The increase of $4 million is responsible for almost the total increase in the estimates of the department. Is there anything that the minister can say to us about that?

Mr. Mitchell: I think I can. There is an increase in the proportion of contributions paid out of the treasury, and there has been a substantial increase in the coverage, particularly in the lumber industry, in the last fiscal year.

Mr. Smith (Calgary West): The $4 million is in proportion to what other people are doing?

Mr. Mitchell: Absolutely.

Mr. Herridge: I want to mention something else to the minister. I apologize for bothering him so much.

Mr. Mitchell: That is all right.

Mr. Herridge: I want to say that your staffs in Nelson and Trail are doing a very good job, but at times they work under great difficulties. When anybody does a good job, I say so. When seasonal unemployment occurs in our district, it happens all at once. The mills close down and logging ends because of weather conditions. Your staffs are swamped with applications for unemployment insurance. I quite understand that you cannot keep sufficient staff all year round to handle the work at that time. You cannot take on temporary employees to do the work, because they have not been trained. I suggest that a lot of misunderstanding is caused amongst the workers. They are irritated because their applications are not proceeded with quickly, and that is partly owing to the time involved in the mailing of applications. I suggest there should be some form of travelling service periodically to the smaller points to assist in filling out applications. I also suggest that it would be a good idea if the minister's officials were permitted to visit the national trade unions and other groups of workers to explain the workings of the act, because I find that in most cases the complaints I receive are the result of misunderstanding.

Item agreed to.

Unemployment Insurance Act, 1940—

169. To provide for the transfer of labour to and from places where employment is available in agriculture and industry and expenses incidental thereto, in accordance with regulations of the governor in council, $200,000.

Mr. Bater: I should like to say a word in commendation of the minister and his department for the great work that has been done. I should also like to mention a problem facing many municipalities in the province of Saskatchewan, with which I am more familiar. I refer to the question of the metis or half-breeds. We have had assistance in moving these people from one province to another or from one district to another; nevertheless I think the problem is one that will require investigation on the part of the Department of Labour, because it goes beyond

the assistance that can be afforded by many municipalities in Saskatchewan. Instead of taking the time to read it, I should like to put on the record a table from a publication of the Department of Labour. I think the people of our country should know what is being done in this branch of the Department of Labour.

Mr. Cote (Verdun-La Salle): Is that from the last report of the department?

Mr. Bater: Yes, I should like to have this table put on *Hansard*. It sets forth the movements that were carried out in 1948.

Mr. Cote (Verdun-La Salle): On what page of the report does it appear?

Mr. Bater: Page 63.

Some hon. Members: Agreed.

Mr. Bater: The table is as follows:

Organized Movements of Farm Labour

Type of Movement	From	To	Number of Workers
Fruit picking	Saskatchewan and Alberta	British Columbia	500
Hay and grain harvest	Ontario and Quebec	Prairie Provinces	2,100
Hay and grain harvest	Prairie provinces	Ontario	920
Hay and grain harvest	Nova Scotia	Ontario	200
Potato harvest	Nova Scotia	Prince Edward Island	1,000
Apple harvest	Nova Scotia	Fruit growing areas in province	800
Potato harvest	New Brunswick	Potato growing areas in province	1,000
Potato harvest	New Brunswick and Quebec	Maine, U.S.A.	5,900
Potato harvest	Manitoba	North Dakota, U.S.A.	800
Harvest combines	Prairie provinces	Western United States	450
Tobacco curers	United States	Ontario	1,350
Sugar beet workers	Saskatchewan	Montana, U.S.A.	200
Pea viners	New Brunswick	Maine, U.S.A.	200

Item agreed to.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

215. Departmental administration, $859,720.

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

Mr. Martin: No.

Mr. Blair: The administration item of the Department of National Health and Welfare provides the one opportunity during a session of parliament when the matter of the health of the people of Canada may be discussed. I have always felt that we devoted altogether too little time to the discussion of this important matter.

In previous debates in other sessions I have quoted statistics showing the health situation in this country, and those statistics have invariably indicated that while much has been accomplished in the way of prevention, cure and treatment in certain diseases, there is still a great work to be done. We still have diseases, such as cancer, which offer a challenge to all who are interested in the health of our people, especially to those engaged in research. It is apparent that if research is to provide the answer to these questions, this house must consider the advisability of voting sums of money for that work.

When the estimates of this department were before the committee last session I drew attention to the fact that conditions were changing with respect to the types of diseases now being treated by physicians and encountered in hospitals. We have made marked progress in the protection of our population against communicable diseases. The advent of penicillin and the sulpha drugs has changed the whole picture in the treatment of infection. Maternal and infant mortality have fallen, and the span of life has been greatly lengthened by these new discoveries. It is true that we have not discovered how to treat and cure such diseases as cancer, disseminated sclerosis, leukemia or poliomyelitis, commonly known as infantile paralysis; and these are only a few of the great problems facing us at the present time. Though tuberculosis is still a menace, modern treatment and care have markedly reduced the incidence of that disease, and I think we can look forward with confidence to the time when it will be entirely eliminated. This may sound optimistic, but we have only to look at the reduced incidence of infections to see that this will be possible in the future.

While new scientific discoveries have been made and will be made, our policy should be directed toward making available to all our people the opportunity for treatment, and bringing to them all the advantages of new scientific discoveries to combat disease and misery. We must constantly strive to bring the standard of health of the people of Canada to the highest possible level. But in making progress in lengthening the span of life we must be prepared to deal with diseases of advancing age. Some of the results of the increase in the number of older people are now becoming apparent. During the last year there has been an increase in the number of mental cases; in fact, as I have said during the last two or three sessions of the house, the percentage of people suffering mental disease is greater than the percentage increase in our general population. Increasing the span of life is going to increase the percentage of people suffering from the mental disturbances which occur in aged people; and unless we find an answer to the problem of cancer it is to be expected that this disease will increase among the older group.

Heart disease is becoming more common, not only from the strain and stress of our modern life but from the increase in the number of older people. Our population is increasing; our towns and cities are growing with the establishment of industries. We must be prepared to deal with an increasing number of health and accident problems connected with our industries. As an example of these changed conditions, though it does not enter into what we are discussing today, we have only to look at the toll of accidents and injuries on our highways. So we must readjust our present and future health facilities to take care of the older age groups. This is going to entail provision for people suffering from mental diseases of the aged, and the treatment of chronic diseases of old people.

I again call attention, Mr. Chairman, to the necessity for research into the cause, prevention and treatment of the so-called degenerative diseases. It is important that the rising mortality rate in heart disease should receive attention. Coronary disease of the heart was formerly regarded as a disease of the older age groups, but it is becoming increasingly common in younger groups. The study of cardiovascular disease, in view of the high casualty rate, should receive the attention of our research workers, in order that the rapidly rising mortality rate may be cut down.

The programs of prevention of acute and communicable diseases carried on by the health departments of all the provinces have shown splendid results. This has been proved by the decreasing mortality rates. One might take as an example the lowered rate of infantile mortality. Preventive treatment has cut down the incidence and costs to the nation of acute diseases. The same form of program can also be highly effective in the control and prevention of chronic diseases, and this is a program which will be increasingly necessary in the future. Not only must we continue our program of prevention; we must pay particular attention to the education of our people in preventive measures. Further, the increase in the span of life makes it absolutely necessary that, along with other measures, old age pensions and assistance to the aged should be commensurate with a decent standard of living for our aged citizens, and any plans for the future must recognize this fact. I am not bringing into this debate the matter that is now before a committee of this house, but I am throwing out the suggestion that it is part of any medical program dealing with the diseases of our elderly citizens.

It is worthy of note that the percentage of venereal disease in Canada shows a marked decline. I was interested in the remarks of Dr. Theodore Rosenthal, director of the New York city bureau of adult hygiene, at the meeting of the Canadian and Ontario public health associations. Among other things Dr. Rosenthal stated that the social aspect, through better family relations, was important. He further said that public education has gone a long way toward bringing about the incidence of reduction, and, as quoted in the *Globe and Mail* of June 14, Dr. Rosenthal added a warning:

> Venereal disease must be controlled in the future to the same extent as smallpox and diphtheria are today.

I again call your attention to the great need for research into the disease known as disseminated sclerosis. Some time ago I received three letters within the space of two weeks from comparatively young victims of this disease. It is a disease which not only incapacitates, but lasts for years, with attendant misery and suffering. I am glad to see that an organization has been set up to procure funds to stimulate research in the treatment of the disease, which is all too common. The Department of National Health and Welfare should give due consideration to the lending of all possible assistance to the prevention and treatment of disseminated sclerosis.

I now come to a subject which I have mentioned practically every year and at every session of parliament when the Department of National Health and Welfare estimates were being considered. I call your attention to the high cost of hospitalization, which is

beyond the financial means of the average citizen. It is true that there has been increased tendency for people to seek hospital accommodation and treatment. It is very difficult at the present time to get help in the home; it is very difficult to get a trained nurse in order that the patient may receive the treatment that is necessary. There has been an increase in the building of hospitals and additions to hospitals, in order that more beds may be provided, but even with the grants given by the Department of National Health and Welfare, and also, in my own province of Ontario, the grants given by the provincial government for the building of hospitals and hospital beds, there is still a great shortage. Even with these grants it is difficult for cities, towns and municipalities to finance the building of hospitals and additions to existing hospitals.

Boards of hospitals have found it increasingly difficult to finance their institutions, even with these increased grants. It is necessary that we should have sufficient beds to meet the needs of our people. I am introducing a subject to which I hope the minister will give due consideration; the matter is very important. There should be sufficient hospital beds to meet the demand, in time of peace, and, which is more important, in time of war. Defence plans for the protection of our country must include adequate provision for our people in time of emergency. Modern warfare has shown the importance of making provision for civilians.

No review of the work of the Department of National Health and Welfare would be complete without mentioning the position of the so-called incurables. Many of these people are in the younger age groups. They are not able to earn their livelihood, owing to disease or accident suffered in earlier years. It is also possible that a percentage of this group could be helped in learning some form of gainful occupation. Many, because of their disability, find themselves unable to do any form of work. I am sure that the whole house will agree with me when I say that those people should receive assistance. It is only a short time since we had a group of them here. I am sure that every hon. member who saw them and interviewed them was impressed by the necessity of doing something for them, something that would give them a chance to lead a normal life. As I looked at the group I felt that possibly some measures could be taken to train them in some work that they could carry on, even with their disability.

I draw attention, sir, to the remarkable work done in my own province of Ontario for the care of children or adults suffering from that dread disease poliomyelitis. All cases in the province of Ontario are sent to selected centres for the period of isolation, which is only a matter of a week. Then they are sent to general hospitals for treatment after the infectious stage of the disease has passed, and it is possible to begin treatment of the affected muscles. Great work has been done in these centres toward the repair of and the bringing back to life of muscles which have been affected by the disease. This is all done at the expense of the provincial government. I wish to point out that it has paid rich dividends in preventing the crippling of many of these children. I have been impressed by the fact that children who have suffered from the disease, and who two or three years ago would have been left crippled for the rest of their lives, are now completely well, without any disability. Last summer one of my own patients, who was affected in both arms, back, and legs, received treatment at the Ottawa civic hospital, one of the selected hospitals for the treatment of this disease in Ontario. I am sure if it had not been for the modern methods of treatment which my patient received, she would have been a cripple for the rest of her life, on crutches or in a wheel chair. This patient is almost completely well, and in a few months time I am sure will recover from any form of disability.

So far as the disease itself is concerned, every effort should be made to foster research. The cause and the methods of prevention are not known, but much can be done by early measures of treatment to prevent crippling. I am well acquainted with the splendid results achieved in Ontario by a program of treatment of poliomyelitis victims, and I feel that the same type of program should be in effect in every province and every area in the Dominion of Canada. This program is so important that money from the dominion health grants should be allotted to the provinces for similar treatment. I hope that when I mention expenditures of that type no member on the government side will accuse me of advocating expenditures and at the same time advocating economy. There is no hon. member in this house who will quibble over the amount of money spent in the treatment or prevention or control of disease. The matter of economy rests in the administration of the department.

I now come to one of the most important matters under consideration this afternoon, namely, the expenditures of this department. It is the most expensive department of any in the government. The total amount required by the Department of National Health and Welfare is $455,253,570, with an increase of $44,557,114 as compared with the estimates of 1949-50. Some of these amounts are

authorized by statute. Large amounts are required for the payment of old age pensions and family allowances. It is not my purpose to criticize the amounts appropriated in any of these items; neither shall I criticize the amount spent on health services. Any government is justified in spending money on national health and welfare, and there is no department of the government that is as important as that which has to do with the care of the sick and the afflicted, or provision for the aged. Family allowances have done much for the younger aged group. The grants for the care of Indians and Eskimos of $11,694,839 have been necessary to preserve the health of the people who were the first inhabitants of this country. I could not under any circumstances criticize grants for such purposes as venereal disease control, mental health, blindness control and others, with the purpose of aiding the sick and afflicted. These grants are entirely necessary for the cure and prevention of disease, not only in the individual, but in the whole community. The individual and the whole community should be considered when we are dealing with sickness, particularly the treatment of a disease like tuberculosis.

But, sir, I have been amazed at the total amount of money required for travelling expenses in this department. I have made a summary of the travelling expenses in the various branches, and I am surprised to find that it reaches the grand total of $773,900, which is approaching the million mark. This bill for travelling expenses for the year 1950-51 in the various divisions is as follows:

Departmental administration	$ 25,000
Departmental administration, allowance and other expenses of delegates to international conferences	5,000
Health branch administration	5,000
Food and drugs	50,600
Proprietary or patent medicines	1,000
Opium and narcotic drugs	12,000
Quarantine and leprosy	9,000
Laboratory of hygiene	12,000
Immigration and medical inspection	65,000
Child and maternal health	10,000
Public health engineering	29,000
Treatment of sick mariners	2,000
Industrial health	9,500
Civil service health	4,000
Nutrition	14,000
Venereal disease control	4,500
Health insurance studies	10,000
Dental health	6,000
Hospital designs	4,000
Mental health	4,500
Blindness control	4,000
Epidemiology	6,000
Medical services—Eskimos and Indians	350,000
Civil aviation medicine	22,800
Welfare branch	3,000
Family allowances	75,000
Old age pensions	16,000
National fitness administration	15,000
	$773,900

It will be noted that the grand total is $773,900. The amount provided in the estimates last year was $623,000. So that this first amount I have mentioned for the year 1950-51 shows an additional amount of $150,900 over the amount required for last year. This would seem to be a tremendous bill, an unusual bill, for travelling expenses.

When I added up the bill I was reminded of a slogan of the American marines, "Join the marines and see the world." It would seem that officials in the Department of National Health and Welfare have almost an equal opportunity. I can remember as a schoolboy having to learn by memory a sonnet by the poet Keats, written about an entirely different subject; but it seems appropriate in view of the travelling expenses of the Department of National Health and Welfare. One could picture one of the travelling officials in the department saying:

> Much have I travell'd in the realms of gold,
> And many goodly states and kingdoms seen;
> Round many western islands have I been . . .

I can understand why travelling expenses in the administration of the medical services to Indians and Eskimos would reach a large amount, but there are other items which require a detailed examination and explanation by the department. I am pointing out to the minister that in view of this amount being so large, these expenses will be subjected to close examination and the production by the minister of all the details. I am fully aware of the fact that this is an age of conventions, but the calling of a convention in distant parts does not warrant a call of "All aboard!" to the travelling officials of the Department of National Health and Welfare. It would be better if a great deal of this money were saved to the taxpayer and actually spent for the relief of the afflicted within our own nation. An amount of $500 or $1,000 saved here and there from this enormous bill for travelling expenses, and spent for the aid of a crippled child or in research on such a disease as poliomyelitis, would bring relief and happiness to our population.

Any government, whether provincial or dominion, is fully justified in spending money on public health. There is no other department within a government which so vitally affects the lives of the people as that of the department of health. While health expenditures are a necessity for the welfare of a nation, and there will be little disagreement with the amount of money spent if objectives are to be attained, items must be scrutinized on behalf of the Canadian taxpayer—especially such items as unusually large bill for travelling expenses.

Mr. Coldwell: Mr. Chairman, the estimates of this department always provide an opportunity for hon. members who are interested in social security measures to speak. In this particular instance, because of the separation of the health and welfare items to which the minister agreed this morning, what we say should be directed more particularly to health matters.

I believe that generally speaking the interest in public health in the House of Commons for a long time has transcended party differences. This is an excellent thing. I quite agree with the hon. member who has just taken his seat that we should scrutinize the estimates for unusual expenditures, or expenditures which would seem to be large in relation to the services rendered. He has made an excellent case for the scrutiny of travelling expenses of the department. I do not propose to say more than that, but I do think the committee should have from the minister an explanation of these heavy expenses and an indication as to why there is this increase this year.

May I compliment the department in some other respects? I believe the minister is well served by his deputies and generally the group of officials around him. I should like also to say that, as one who reads the bulletins from time to time, and the periodical which I believe is called *Canada's Health and Welfare,* I have been impressed. I have heard from those who have been on the committee dealing with old age pensions favourable comments on the work being done by the research division of the department. While at times we may criticize in the house, when commendation is deserved I believe we should speak in a complimentary way of the public servants who are performing a good service for the department, the House of Commons and indeed the whole country. I am happy to say that other members as well as myself appreciate the work of the research division of the department.

The hon. member for Lanark spoke about the elimination of difficulties, sometimes in health and sometimes in welfare, by paying attention to family relationships. I make a plea, in passing, for more generous support than has been given to Canadian schools of social work. There are not very many of them in Canada. Those that we have are centred at the larger universities, such as the university of Toronto; therefore students who embark upon this [illegible] of public service have to go some dist[illegible] home. Often those who might re[illegible] service to the community in f[illegible] are prevented from taking these co[illegible] use of a lack of funds. I should li[illegible] re generous support given by the federal government to the establishment of bursaries or scholarships for students who live some distance from these schools of social work to enable them to embark upon this new and important phase of public service.

You have only to look at some of the functions now undertaken by social service workers to realize the extent to which this has become an essential branch of welfare work—and indeed of health work, because they pay attention to health as well as to other phases of welfare as they affect the family and individual. As a matter of fact, social workers are becoming more necessary because of the work being done in relation to veterans affairs, in relation to family allowances, in relation to old age security and all the newer public obligations that have come into being in our country in the last twenty or twenty-five years.

When we make a large appropriation—and I am glad it is as large as it is—for family allowances, it is essential that we have trained social workers in the community who can give advice about, and indeed exercise some supervision over, the use to be made of family allowances. Let me say in passing that while there may be some minor cases of abuse in family allowances, I think on the whole they are doing an excellent job for the children who are growing up in our Canadian homes. Under present conditions we must appropriate large sums of money for national defence, and we must not under any circumstances neglect the health and welfare of our people, particularly of our children. When we are faced with difficulties, either military or economic, the health, productivity and general condition of our population constitutes our best defence.

In my own province of Saskatchewan, where a good deal of progress has been made in public health and in other matters over the last few years, these social service workers are essential as welfare officers and probation and parole officers in connection with delinquency, mental hygiene, and other social welfare services. All these branches that I have mentioned, and many others, require properly trained personnel in order that the job shall be done sympathetically, thoroughly, and efficiently. Consequently I want to include a plea for more encouragement and more financial aid for the institutions and persons who wish to embark upon this important branch of welfare work.

I believe that we have to spend more money on health and welfare work in this country. The question how that money is to be raised I expect will receive some attention when the report of the committee on old age security is before the house, and I

do not propose to discuss that phase of it this afternoon. But I do want to place myself on record as saying that I believe we have to expend more energy and a larger proportion of our national income on health and services that are allied to health. I hope this autumn when the dominion-provincial conference meets that a great deal of consideration will be given to ways and means of establishing a national health plan as part of our social security system, to the end that there may be made available, to every man, woman and child in Canada, hospitalization, medical care or other services that may be necessary in order to relieve suffering and sickness.

I want to support most warmly the suggestion made a few moments ago that we should give more attention and more aid to research in all branches of medicine and physiology. Arthritis, that disease which cripples so many individuals, often in the very prime of life, and leads to years of incapacity and suffering, should receive more attention and study than has been given to it. Another disease which is becoming all too common is disseminated sclerosis, which often attacks men and women in the prime of life and results in many years of invalidism and pain and suffering.

This is called the mystery disease, because so little is known about it. Anyone who has had firsthand knowledge of the disease dreads the news that someone's illness has been diagnosed as disseminated sclerosis. In passing I want to say that great benefits have been conferred by the Montreal Neurological Institute on many sufferers from this dread disease. No one can minimize the wonderful work of relief that has been carried on by the very clever group of doctors and nurses in that institute. I should like to see even more aid given to an institute of that description than has been forthcoming from the various governments in the past.

Most of all I should like to see, to a greater extent than has been undertaken, a study made of this disease, and indeed of kindred diseases. I believe that any amount of money spent in research in connection with diseases that are all too common, and that cause such a tremendous amount of suffering and economic loss to the community, or money spent in the finding of means for prevention or cure, will repay the people of this country a thousandfold.

Some of us saw the incurables who visited the house about a month or six weeks ago, and I am sure that all were impressed both by their representations and by their condition. I often wonder how incurables whose families have little to live on are cared for, or how they manage to maintain any spirit of cheerfulness or courage. In passing I should like to say that one of the benefits of recent years available to shut-ins is the opportunity to listen to interesting programs provided by the Canadian Broadcasting Corporation, and sometimes by other radio stations.

I should like to see incurables brought under the same statute as the blind and treated in the same way. We brought the blind under the Old Age Pensions Act a few years ago. I think members on all sides of the house would support the government if it would amend the act to provide that incurables be granted a pension according, if it was deemed advisable, to their incapacity, at least up to the limit of the amount given to old age pensioners.

The Department of National Health and Welfare is a spending department. It is not only a department of national health, but also a department of national defence, because defence depends largely upon the physical fitness of the nation. I have heard it suggested recently that perhaps we are spending as much money on social services as we are on the Department of National Defence, and that consequently we may not have funds available for national defence. If that argument is used to prevent any further advances in the realm of social services, I want to say to the government that I believe the Canadian people will support sums of money for national defence provided that we also improve the social and health conditions of our people. To my mind the two things are inseparable. If the government wish to retain support for expenditures on national defence, then they must parallel, and indeed exceed, those expenditures in the realm of national health and welfare.

At the present time we include under national health and welfare the dominion's contribution for old age pensions, family allowances, and so on, with the result that the total expenditures for the department are some $30 million in excess of the amount appropriated for the Department of National Defence. The figure for national defence is $425 million, and for national health and welfare $455 million. If we bring under the Department of National Defence the amounts we spent on veterans health and welfare and other obligations we have incurred arising out of the war—I am reminded of interest on the war debt, which I would not include under the heading I am thinking of at the moment—we find that we are spending on defence and the human element in relation

to the last two wars a sum vastly in excess of what we spend on national health and welfare.

Above all, I hope the government will see to it that the grants for the treatment and prevention of some of the diseases that have been mentioned this afternoon will not only be maintained but increased, and that in the years to come we may look forward to great advances in the treatment of diseases that incapacitate and cause so much misery to so many people. It is satisfying to note that in some of our provinces many advances have been made in providing hospitalization. Having regard to their financial resources, I think some of the provinces have gone almost as far as they can go in providing, from their own resources, hospitalization and other health care.

As I said a few minutes ago, the time has come when the house should be considering a national health plan as a part of the social security program. I hope that the old age security committee will recommend a great advance in old age pensions, and I hope the government will accept their recommendation. When we have made this great advance then I think the problem to which we should give the highest priority in the next few years is a national health plan to make available to our people, as freely as our primary schools now are to our children, all the health services that the people of Canada require. I hope that such a plan can be developed in co-operation with the medical and nursing professions and all others interested in the problem, so that we shall not have a conflict of interests preventing or delaying the coming into effect of a great national health plan.

I am not going to say more this afternoon. I wish to support warmly the suggestions put forward by the hon. member for Lanark, and to say that we will support every measure proposed for the improvement of the general health and welfare of the people of Canada.

Mr. Low: Mr. Chairman, my first words must be words of commendation to the minister and the Department of National Health and Welfare for the fine things they are doing in the fields of health and welfare for the purpose of improving living conditions and the happiness of the Canadian people. I have watched the work with keen interest, and I must say that in the past few years I have noted a real change in the attitude of the government of Canada to health and welfare matters. I enjoy listening to the hon. member for Lanark when he makes his contribution each year on the estimates of this department. A great deal of practical and down-to-earth information is always to be found in the speeches he makes. Being a medical practitioner, his pronouncements naturally carry much more weight than they would coming from members who are laymen.

The members in this corner of the house have felt for many years that the governments of Canada were not doing enough in the fields of health and welfare. Every time the matter has come before the house we have demonstrated our concern in the only way that we could. We have made our proposals, and in the only government for which we have responsibility in this great dominion we have tried to demonstrate in a practical manner how we feel about health measures and public welfare. I think I am being modest when I say that in no province of the Dominion of Canada do the people enjoy more services in the field of health and welfare than they do in Alberta. We have been conscious of the need of the extension of those services. Even during the time, Mr. Chairman, when it was difficult to get money, when our total revenues in that province were less than $20 million, we did begin a gradual extension of health and welfare services; that has continued step by step right up to the present day. These health grants, hospitalization grants, construction grants, survey grants, have all been of inestimable value to the province. We want to acknowledge those things, and to thank the minister for the leadership he gave in providing grants to the provinces. Without them many of the provinces could not have made the progress they have made; without them a good many more people would be suffering from the lack of hospital and other facilities within the field of health.

I do not want to take too much time, but there are a few things I should like to mention in connection with the estimates that are before us today. For a good many years, having had something to do with it in the administration of the province of Alberta, I have been keenly interested in the question of nutritional service. I have wondered just how far the health department here integrates its investigation into nutritional problems with the research work going on in the Department of Agriculture, and the research council, as well as other agencies of government. I would appeal to the minister to do two things when he takes part in this debate: let us know just what is being done in that field to integrate the investigational services, and indicate to what extent the people of Canada are being made aware of the findings of agencies of government.

I have discovered out of my own experience as a member of the provincial government that many of our people are actually starving to death in the midst of abundance. I do not mean that they are not getting their stomachs full of food that might perhaps look good, might perhaps be clean, might perhaps be sufficient in quantity; I simply mean that they are having to use so many devitalized foods. The flour the people of this country are getting is devitalized material; the very virtue has been taken out of it in the process of milling. It may be argued that the millers are giving the people what they demand, and that the people are actually demanding white, light flour; that may be so. If they are, it is done in ignorance. I am satisfied that a great many of the diseases suffered by the people of Canada today are deficiency diseases, and result from slow starvation arising from the use of foods that are devitalized, from which the very elements the people need have been taken.

I should like to know how far the health department, along with other agencies of this government, has carried on research in nutrition, to discover exactly what has been happening and how to overcome the difficulty. In certain areas in this country the soil is worn out. Ordinarily, people in the cities are not aware that this is so. They are receiving in the markets of the cities vegetables and food materials that are grown on worn-out soil. These food materials are deficient in minerals. When human beings consume them it is only natural that they too should be deficient in the minerals which they require, because the food itself does not contain what the people need for health. As a result we have an increase in the incidence of cancer, and a great many other diseases which doubtless will in time prove to be deficiency diseases. In nutritional research it seems to me that one of the important things to do is to determine from what areas food materials are coming that are deficient in mineral content, and if those are discovered the people of Canada ought to be warned of the results of consuming that food.

I have seen the publicity work. We ought to lay emphasis on that sort of information. I know some of the things that are being done. I have watched the bulletins that have come out of this department, and a great many of them are splendid. The pictorial nutritional charts especially have an appeal to many people. I do not begrudge one dollar that is spent on this sort of thing. We could lay emphasis on nutrition and get the people of Canada conscious of the necessity of producing and consuming vital food. Then I am satisfied you would not have to talk about hospitalization and the care of people who are falling by the way as a result of deficiency diseases.

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

Mr. Low: Yes.

Mr. Warren: As I listened to the hon. member I wondered whether in the area in which he lives the housewives bake their own bread. Would he emphasize the importance of housewives learning to bake bread? Homemade bread is far superior to anything the baker makes.

Mr. Low: There are a good many things I could say, but I would certainly say "amen" to that. My wife does make her own bread, and I do not care if the bakers know it.

I should like to add my voice to that of the leader of the C.C.F. party in his appeal to the minister and his colleagues to consider the plight of the incurables in this country. When the delegation representing the Canadian Association of Incurables visited Ottawa not long ago, they came to my office and spent some time in telling me their story. I must say, Mr. Chairman, that these people have a good case. I am satisfied that the minister knows that. They reported to me the sympathetic and fine reception the minister gave them. We all know that many of these incurables—no one knows how many hundreds of them there are—wish to be self-supporting. They constantly find themselves faced with this from employers: Now, we would like to give you work, but you would be an embarrassment or a danger around our institution. Their reflexes are not quick enough to handle mechanical operations, and sometimes it is difficult for them to move around. Amongst the delegation I found a number who expressed a desire to be independent. They told me their history—how they sought employment, and what their experience had been. My heart went out to them. I would say, sir, that their case is deserving of priority. I would think, in fact I will go so far as to say, that the needs of the incurables of this country are just as great as the needs of the old age pensioners or the blind; and while we are considering the extension of social services I say we should treat their requests on a par with those of the blind. It does seem, too, that it might be advisable not to put them under the Old Age Pensions Act, as we did the blind. I am of the opinion that we made a mistake in not drafting a special act for the blind, and I still believe that should be done at the earliest possible moment. I had something to do with the administration of old age and blind pensions in the province, and

I concluded that we could have done a better job if there had been legislation specifically drafted covering the blind in this country. So I suggest that when we take up the question of the incurables—and we should do it immediately—we should draft an act particularly applying to them. One thing that surprised me about the whole situation was that thus far they have no way of determining exactly how many incurables there are in Canada, and for that reason it has been more difficult for them to lay emphasis upon their particular needs. I wonder if the minister, when he speaks, could tell us whether any move is being made by means of a survey across Canada to determine exactly how many incurables there are in need of financial assistance. If such information has not been gathered together thus far I think this should be done as soon as possible. Then we will be in a position to deal with the matter in terms of dollars and cents.

I should like to add my voice to the plea that has been made for further assistance, if it can possibly be made available, to the schools of social service. These schools are in need of assistance, and they are doing a good work. I believe they are deserving of much more help so that, as the hon. member for Rosetown-Biggar said, they may be able to extend to prospective students bursaries or scholarships to encourage them to take up this work. It is of inestimable value to the Canadian people that trained social workers be available when they are needed; and today they are badly needed, if for nothing else than to help make our people conscious of the many things they could be doing for themselves. The true measure of the stability of a people and a nation lies in its ability to make use of the things that are at hand. Trained social workers are able to assist the people to learn exactly what is at hand and how to use it, and I think we should be laying some emphasis on that phase of our welfare work.

As the minister knows—and I do not intend to enter upon a long discussion of finance this afternoon—we in this group have tried to take a realistic position with respect to the expenditure of money. We have said that at the same time we are trying to extend health and social services we ought to be constantly mindful of the burden that has to be borne by the taxpayer, the ordinary consumer of this country. We have not retreated from that position by one inch. We say we will go along with the minister in everything he wants to do to improve the health conditions of our people and lessen the suffering of those who have been stricken. We urge him to go along just as quickly as he can, of course always being mindful of the taxpayers and the burden they have to bear. We have shown on numerous occasions, I think, that there is no lack of material wealth in this country. We have not begun to realize our productive capacity; and until we have realized our productive capacity we cannot say we have gone as far as possible in the extension of health and welfare services. It is out of our production that these things must come. If financial restrictions or a dearth of finances tend to interfere with the extension of these services, when at the same time we could produce more of the things that are needed, I say to the minister let us get out together and fight that sort of thing; let us remove the restrictions, get the materials into the hands of those who need them and the services to those for whom we are working now in connection with health and welfare.

We know what can be done because of the experience we have had in production. We know what this country is capable of doing. We urge the minister not to be too frightened by the size of the figures that may be presented to him by committees studying these matters. Let him rather take a look at the production end of it, the food, the clothing and shelter we could provide by all-out effort. Then let him govern himself accordingly, and we will back him to the limit.

Mr. Fleming: Mr. Chairman, I believe the speeches that have been delivered in the house this afternoon have been characterized by a very constructive note, as well as by a profound appreciation of the importance of the subject of national health and the kindred subject of national welfare. Since I agree with so much of what has been said, particularly by the hon. member for Lanark in his masterly speech, I believe I can shorten my remarks a good deal. The fact is that only last December, six months ago, the estimates of this department for last year were reviewed, and in addition during the present session the house has been afforded the opportunity of debating the subject of old age pensions on the motion to set up a special committee to go into that subject.

I should like to associate myself very heartily with what has been said on some aspects of the work of the department with which members of the committee on old age security have come directly in contact. I do not intend to discuss the subject referred to that committee, but I think tribute should be paid to the deputy minister, Dr. Davidson, to Miss Waters, Mr. Willard and other members of the staff who contributed so much to the material which was placed before that committee, comprehensive material which

reflected great credit upon those concerned in its preparation. I believe this tribute is well deserved.

Here we are dealing with a department whose proposed expenditures are the largest among all departments of government, with the exception of those coming under the Department of Finance. The hon. member for Lanark has drawn attention to the tremendous amounts proposed to be appropriated for travelling expenses in this department. I do not propose to discuss again that subject, with which he dealt so ably, but I do wish to draw attention to some other expenditures in this department which I think are worthy of note. In doing so I wish to make it quite clear that I have always been one of those who strongly supported the use of public moneys to meet national problems in relation to health and welfare, considering that when expenditures are directed to those purposes they are a valuable investment which will pay dividends in the national interest. But as members of this house it is our duty to be very sure that the taxpayer receives a dollar's value for every dollar spent, and that the moneys appropriated are voted consciously by parliament to assist in promoting the health and welfare of the nation.

Now, sir, I turn to a subject which has been discussed at previous sessions, but not always carried to the point of detail that it might well deserve. It is the subject of publicity. Anyone who examines this book of estimates must be impressed by the repeated appearances in the details in this book of that familiar title "Publicity", or under the more euphonious and impressive title which has been tagged onto it in recent years "Educational and Informational Publicity". That euphonious title deserves closer examination; the house should not be too greatly impressed by a resounding title. Let us go a little deeper, Mr. Chairman, and see exactly what is involved in these expenditures for this purpose.

First of all, as to the amount, I am sure it will surprise some to realize that in this department the items proposed to be spent on publicity during this present fiscal year total $524,970. How are they made up? Director of information services, $6,000; information officer, $4,080; and again under that same general heading we have $131,450 to be found under departmental administration. Then under the health branch, $66,000. We have an item under food and drugs. Chief of the advertising division—it may be that his salary should not be altogether charged to this subject, but I mention it in passing—$5,640.

Then we come to proprietary or patent medicines, $7,000; opium and narcotic drugs, $2,000; child and maternal health, $44,500; public health engineering, $9,000; industrial health, $31,000; civil service health, $2,000; nutrition, $30,000; venereal disease control, $6,000; dental health, $13,500; mental health, $63,000; blindness control, $10,000; Indian medical service, $5,000; civil aviation medicine, $1,500. These are all under the health side of the department. Under the welfare side we have welfare branch, $2,500; family allowances, $56,500; and national physical fitness, $28,300. The total, as I have said, sir, is $524,970.

Let me make myself quite clear. I am not saying that there may not be good value in some of these expenditures. I am not making any general condemnation of expenditures on education, expenditures on certain forms of public information, which I think can properly be carried out through this department, but I think, sir, that in this very striking total there is money provided that ought to be very closely examined in this house. It is deplorable, sir, that this clumsy procedure we have available to us in this committee of supply does not enable hon. members to conduct that detailed examination which would be possible if we did take the intelligent course of setting up smaller committees to scrutinize estimates of this and other departments. But I do know, sir, that we have had occasion in the past to complain about some expenditures on these publicity items as being wasteful in their nature. We had an example the other day. It is true the minister's answer at page 3638 indicates that it is not a very large amount; but "Dietary Ditties" is not an isolated example, and as publicity it does not contribute very much to the public's awareness of health problems.

Mr. Graydon: Poetry by Paul.

Mr. Fleming: The author's name was requested in the question placed on the order paper by the hon. member for Calgary West. In the answers tabled by the minister in this house on June 15 the name of the poet has not been disclosed.

Mr. Graydon: Mr. Martin.

Mr. Fleming: I am inclined to the opinion, sir, that it was typical modesty on the part of the minister that he was not prepared to claim paternity in relation to this doggerel.

Mr. Martin: Don't you recognize Shelley?

Mr. Fleming:

When work piles so high you can't see
And you feel you've been shoved up a tree;
You won't lose your wit, or fly into a fit,
If you're eating your vitamin B.

Mr. Martin: May I interrupt and point out to my hon. friend that he and I were classmates. I am sure that he, as a good English student, will recognize there one of the great English poets of the nineteenth century.

Mr. Fleming: I have not recognized any poet in that contribution. It may be that there is someone given to making rhymes who is responsible for perpetrating these lines, but I would not wish to hold anyone else in the department responsible for them but the minister himself.

Mr. Martin: I take all the blame.

Mr. Fleming: It reminds one of some of the publicity we had to complain about in previous years. You will remember that we found that public moneys were being spent several years ago to tell people, as I recall the expression to, "Stand without sag, and sit without strain." You will remember the one which involved expenditure of public moneys on a filler in which the parents of the country, who were receiving family allowances for their children, were advised to spend part of their family allowance to "add zest to living". The expression has never been fully interpreted by the minister. I am sure it would be interesting to have the minister's conception of adding zest to living.

Mr. Martin: I will take you out sometime.

Mr. Fleming: Then you will recall the choice one, sir, about the packing of the lunch basket. Public moneys were being spent to instruct the housewives of this country what to put in a lunch basket. That was a sample of paternalism that I think public moneys ought not to be devoted to.

Mr. Coldwell: They have not enough to put in lunch baskets.

Mr. Fleming: I think housewives of this country do not need instruction from the department as to what ought to go into the lunch basket. They may not have what ought to go into it, but they are not going to get it by having moneys taken out of their pockets in the form of taxes to be made available to have someone in the Department of National Health and Welfare tell them what ought to go into the lunch basket.

Mr. Martin: That particular one was discontinued before my hon. friend was born.

Mr. Fleming: My birth must have been in very recent times. I do not know whether my hon. friend is talking about my political birth or not, but the money I refer to was spent during my time in the House of Commons. I do not know whether my appearance here now—

Mr. Martin: I said before my hon. friend was born.

[Mr. Fleming.]

Mr. Fleming: Well, I think the minister must be putting his own choice interpretation on the word "born". The fact of the matter is that the expenditure I am complaining about was made during my time in this House of Commons.

Mr. Martin: In 1945.

Mr. Fleming: That is the sort of thing that has been unearthed in relation to these expenditures in times past, and it calls for something more in the way of investigation than is possible under this clumsy procedure in this committee of supply.

There is one other matter that, because of the profusion of items, cannot possibly be examined in the detail that the house should demand, having regard to the limited time here available. One will find scattered throughout the items of this department about twenty-five bearing the title, "sundries". These always sound like small items. One immediately thinks of overtime dinner allowances for employees in the department, carfare or other things of that kind. One thinks of petty cash; but when a look is taken at some of these sundries it is discovered that the total of sundries for this department aggregates the not unimpressive figure of $211,785. That is not bad for sundries! The hon. member for Lanark suggests to me that it may be of assistance to those in the department who are travelling. Well, one does not need to travel far to be persuaded that something more by way of information is required than is now available, if the department is to justify sundries totalling more than $200,000.

I should like to offer only a brief word on the subject of health insurance. I had more to say on the subject on December 9 last when the estimates of this department were being considered. At that time I drew the attention of hon. members to the lamentable failure of the present administration to carry out the platform adopted by the Liberal party at its 1948 Ottawa convention, in relation to the inclusion of health insurance in its program of social security. This is the program that was adopted:

> The program will include health insurance, covering medical, dental, surgical and hospital health services on a contributory basis.

There were no qualifications to that. There was no statement about waiting for another fifteen or twenty years; no suggestion about deferring it for another generation. No, the statement was straightforward, direct and to the point. I have no doubt that in the election that took place one year ago this month that plank in the platform of the Liberal party was heeded by the people, with the thought that those who subscribed to it must have meant what they said.

Mr. Coldwell: As they did in 1945.

Mr. Fleming: Yes.

Mr. Martin: And as they mean today.

Mr. Fleming: What has been done? We have asked the government repeatedly what it is going to do in relation to a national health program. We are still in the dark as to what plans, if any, the government has. The minister goes off on those long perorations about national health grants, and about waiting until the nation has digested them before he can even begin to tax his brains to carry out this promise in the Liberal platform, and meet a need which has been recognized by all parties in the house, namely the need for a national health program which will assure services of the kind here described to the people of this country.

We are waiting. We become impatient while we listen to nothing but excuses from the government for its inaction. The time has come for action. The minister is asked again to be concrete and definite, and to show some indication that action is intended. This year he has a golden opportunity in the dominion-provincial conference to meet this fall. This is an opportunity such as has not been made available to him for some time. Let him seize that opportunity. We have not had any intimation yet from the government that the subject of a health program is even to be included in the agenda of the conference. This is to be an exceedingly important gathering, and I do hope this opportunity will not be lost. There will be many things to be discussed before the conference; but here is something of major importance. I hope the minister will grasp this opportunity.

Let me point out to him that if he has cause for complaint about being misquoted concerning the intentions of the government in this field, much of the responsibility is attributable to the fact that the government has not been doing anything in the field. The minister complained in the house the other day about being misquoted. He pointed out that he had been quoted as having said in Vancouver on June 13 that he was against any national health insurance plan for Canada, and that health insurance is and must remain a provincial problem. In his statement to the house several days ago he remarked that he had not been correctly quoted in that press dispatch, and said he had subsequently given a statement to that same newspaper correcting their erroneous report.

Such misinterpretations and erroneous reports are bound to keep on turning up until the minister goes further than just to talk about the subject. The opportunity for misinterpretation will quickly disappear if he will substitute action for talk. The time has come for action, and I urge that the minister make this a year of action.

I should like to add my voice to those already heard today in the house about the problem of incurables, or those who are suffering from chronic diseases which incapacitate them from earning a living. All hon. members were impressed and touched by what we saw not only of the plight but of the courage of those who came to Ottawa a month ago representing the Canadian Association of Incurables. I take it that most hon. members have seen the brief which was submitted most competently on that occasion by Miss Eva Warden, and other spokesmen for the association of incurables. I know the minister has a heart—

Mr. Martin: Thank you.

Mr. Fleming: —and I do hope he will address himself to this problem with a sense of responsibility. All hon. members are sympathetic to the problem and plight of these unfortunate people. We do not know how many people in Canada are suffering from crippling diseases, or how many are incurable or are prevented by their physical handicaps from earning a living. The fact of the matter is that this problem has received so little study in Canada that there are not available today any adequate statistics on the subject. If one goes to the minister's department and asks for information as to the number of persons in this unfortunate category, or what it would cost to provide some form of assistance to those who are in need of it and cannot help themselves, he will come away empty-handed, because there are no such statistics available in the Department of National Health and Welfare.

That points directly to the fact that this is a forgotten and neglected problem. I do urge that not a moment be lost in addressing ourselves through the department to this problem. The need is there; in many cases that need is most acute. We have recognized the problem of the blind who are unable to support themselves and are in need of assistance. We make provision for them on a needs basis. Why should we distinguish in principle between those who are prevented by blindness from earning a living, and are consequently in need, and those who are prevented by some crippling disease from earning a living and who are consequently in need? Many of us regret greatly that this problem was not included in the terms of reference to the committee on old age security. I am convinced that something must be done soon in the way of a comprehensive study of this problem so that intelligent minds can be put

to work in the light of reliable information in seeking to meet a need that I submit we dare not close our eyes to.

In conclusion, and in the hope of saving the time of the committee, I make what is perhaps my time-honoured plea to the minister—

Mr. Martin: I am going to recognize it this year.

Mr. Fleming: Really?

Mr. Martin: I respect the hon. member so much that I will do everything he wants.

Mr. Fleming: Pardon.

Mr. Martin: My hon. friend has overcome me with his eloquence.

Mr. Knowles: He has not made his plea yet.

Mr. Fleming: My plea is that at the outset we should have a statement of last year's expenditures item by item so that we will know in advance what was expended last year and be able to compare this year's appropriation with the actual expenditure last year. I am overcome completely by the minister's change of heart.

Mr. Knowles: Mr. Chairman, as another member of the special committee on old age security I should like to join with those who have paid tribute to the work done for us by Dr. Davidson and members of the staff of the Department of National Health and Welfare, with particular reference to those in the research division. I think it is safe to say that whatever may be accomplished by that committee would not have been accomplished had we not had the valuable assistance of these people. I am rather sorry that we have had to work them unreasonably long hours, as has been the case, but at least they have had the opportunity to see the hours that members of parliament work. In this connection perhaps I may be permitted to express regret that I was not able to be here when the estimates of the Department of Labour, in which I am deeply interested, were discussed, for my absence was due to the fact that we spent many hours yesterday afternoon, last evening and last night until nearly one o'clock, as well as this morning, in a subcommittee of the committee on old age security.

Before I take up the one subject about which I wish to speak I should like to support the particular plea that has been made by every hon. member who has spoken this afternoon, that something be done at an early date for incurables. I do hope that the increasing interest being shown in this problem by private members and the extent to which it is being drawn to the attention of the government will bear fruit. Those of us who have been here for a number of years have had the experience of seeing certain matters brought up for the first time—often ruled out of order because they did not fit into a particular item —and then after constant pleading something gets done.

It is not long since the first pleas were made on the floor of this house that consideration be given to pensions for incurables. These pleas are now increasing. I am sure that all were impressed by the recent visit to this city of a delegation representing the Canadian Association of Incurables who asked that their plight be considered. I hope it will not be long before something will be done in that field.

As I indicated when I rose, I wish to confine my remarks to one subject which I consider to be of prime importance. The hon. member who preceded me, and other hon. members, have made reference to it, namely the question of health insurance. I feel that next to the problem of old age security, with which we are dealing in the special committee from which I hope there will be a report before long, this problem of health insurance is one to which we must give high priority and active attention, certainly in this house if the government is not yet prepared to give it the kind of consideration that results in legislation.

It is now five years since we had before us the green book proposals. I would remind the committee that there scarcely could be found anywhere a better statement as to the need for health insurance than is to be found on page 29 of the proposals of the government of Canada to the dominion-provincial conference of August, 1945. I should like to read a few of the arguments presented by the government at that time:

> Health insurance has been widely adopted because it is regarded as the best means of meeting and of distributing fairly the costs of illness and, in conjunction with preventive services, of improving the general health of the nation. Specifically:
>
> (1) Health insurance enables the cost of illness to be prepaid, so that by paying regular sums when they are well people are able to meet the costs of illness when they are ill without being financially crippled.
>
> (2) Health insurance not only enables individuals to prepay their medical costs, but does this in such a way as to secure a wide pooling of risks and distribution of costs in much the same manner as any other form of insurance.
>
> (3) The provision of funds by all persons within a large area makes it possible for hospital and medical services to people in that area to be planned and administered more efficiently and economically than could be done by any other method.
>
> (4) The provision of better facilities for treatment and advice also operates to reduce the total incidence of disease and preventable death. Health insurance must be accompanied by adequate public health measures of a preventive character, but health insurance itself also provides important preventive benefits.

(5) Health insurance permits the steady extension of health services into areas not previously covered, and the rapid application everywhere of new methods and services as they are discovered and developed.

One of the reasons why I read that statement with regard to health insurance is that, from time to time, one of the arguments put forward from the government side is that we should not press for health insurance until we have first increased our health facilities—our hospitals, the number of doctors, the number of nurses and the number of technicians and so on. The argument has been that there would be no point to providing money to make effective the demand for health services if those health services were not previously available.

As against that argument I present the argument contained on page 29 of the green book to which I have referred where the suggestion is made that health insurance makes possible the extension of those very services. I believe that this is one place where the law of supply and demand—although I do not refer to it very often—does seem to apply. For example, the development of the Blue Cross plans in the various provinces illustrates my point. As those plans have developed and as people have thus become able to pay for hospital services if they wanted them there has been a more effective demand for hospital beds and hospital services generally, and this more effective demand has played a part in increasing the number of hospital beds available. I feel that if we wait until there are facilities to meet the effective demand for health services we will wait a long time, if not forever. Therefore I argue, as I have argued on previous occasions, that in the health field as between health insurance on the one hand, and more health services and other factors on the other, priority should now be given to the establishment of health insurance itself. I submit that in the proposals to the provinces in August, 1945, that idea was in the mind of the government, as set out in the argument for health insurance which I have just referred to.

Speaking of 1945, I would point out that at that time the government referred with some pride to the fact that the whole question of health insurance had been under discussion then for a number of years, and that a draft bill had been prepared providing for health insurance on a nation-wide basis. Further down in the column from which I have been paraphrasing the green book says:

Since the meeting in 1944, health insurance has been further considered by the federal government in the light of the views expressed by the provinces. In the speeches from the throne which began the session in January, 1944, and which closed the session in January, 1945, the federal government declared again its desire to bring in a nation-wide system of health insurance as soon as suitable arrangements could be made with the provinces. It was stated that this would be one of the subjects to be brought up at the dominion-provincial conference to be held as soon as possible following the general election.

The general election referred to in that paragraph was the one of June, 1945. That has passed into history. We have had another general election, that of June, 1949, and we are now getting close to another dominion-provincial conference. The argument about agreement between the dominion and the provinces has been used so often that it is really getting worn threadbare, and the people of the country do not put much stock in it any more. They are getting to the point where they think it is just an excuse to cover up governmental inaction.

A dominion-provincial conference is to be held this fall, however, and I join with those who have suggested that this question certainly should be discussed at the conference. I think the federal government should go to the conference not just with a readiness to discuss the matter but with a determination if at all possible to reach the kind of agreement on the basis of which legislation might be introduced at the next session of parliament. If by any chance that does not follow—and I hate to put it that way but I have known the government to muff chances before; they certainly muffed a splendid opportunity with respect to the green book proposals in 1945—if they do not accept my view and get the question settled at the dominion-provincial conference this fall, then I want to suggest to the minister something that may be a surprise to him coming from me. I suggest that at the next session of parliament he move to establish a committee similar to the committee on old age security which has been meeting during the present session.

I will admit two things to the minister. The first is that we had such a committee several years ago.

Mr. Martin: Do not take too long to do it.

Mr. Knowles: We had such a committee several years ago, and while it produced a draft bill and certain recommendations nothing followed therefrom. I will also admit that when he proposed the establishment of a special committee on old age security I opposed it on the ground that it was unnecessary, and that the government had all the required information. I contended that what we wanted was not a committee, but legislation. The time may come when I will say that the setting up of the committee was a good move, although not yet. I am waiting

to see what report is actually brought in, and I am waiting to see how long it takes the government to implement whatever report is brought in.

Mr. Martin: I am waiting for the report too.

Mr. Knowles: If there are enough hours in the night one of these days the committee will get it through. I suggest if the report of the committee shows that the results of its work are as good as the actual work has been, then a good move in another session would be to set up a comparable committee on the whole question of health insurance. I say again that I think the matter should be settled before we return to the next session of parliament. I think a deal should be made at the dominion-provincial conference this fall, and that in the speech from the throne at the next session legislation for health insurance should be forecast. It is only if that advice is not taken that I suggest we should have such a committee at the next session as a means of prodding the government. Let us go into the whole matter thoroughly. I am sure if we receive the same kind of assistance, research material and advice in connection with this question as we have had from the minister's officials in the special committee on old age security, we will be able to bring to the house and to the government the kind of document that will strengthen our case for early implementation of health insurance.

Something has been said by others who have spoken concerning the amounts of money in the estimates of the department. What I shall say is in a slightly different vein, and again the minister probably knows what is coming. I want to complain, as I have in former years, not about the amounts voted, but about the department failing to spend all the money that we have voted in the field of health insurance studies.

Mr. Martin: Will my hon. friend permit me to say something? I do not want to object, but I am sure that a lot of this discussion should really take place under the specific item. It is difficult for me to reply to all these questions now. Could the question of health insurance studies not easily be left until we come to the item relating to it? We are discussing all of the items now, and I think it would be much easier if we waited until the specific item comes before the committee. I know I would find it more convenient, and if my hon. friend would meet my request I would be grateful.

Mr. Knowles: Mr. Chairman, this morning the debate on this department was divided into two fields. The debate on welfare is to be postponed, and the debate on health matters is to take place today. Most of the discussion so far has been on health, and indeed a good deal of it on health insurance specifically.

Mr. Martin: It is just a question of saving time.

Mr. Knowles: If the minister's suggestion is agreed to, I shall have to make the same speech all over again on health insurance studies. I think he had better let me continue now. I should like to point out that for 1946 the house voted roughly $10,000 for health insurance studies, and the amount spent and charged to that item was roughly $2,000. For 1947 the amount voted was $43,000 and the amount charged to the item when the year was over was a little over $4,000. For 1948 we voted $27,000 and the amount charged was $6,000 odd. For 1949 we voted $43,000 and the amount charged was $40,000. For 1950 we voted $56,000 and up until January 31, 1950, the amount spent was only $43,000. In all cases I have given round figures. The details can be found at page 827 of *Hansard* for March 16, 1950.

I note an improvement. The department is gradually moving up and getting to the point where it is spending a larger proportion of the amount of money appropriated for health insurance studies, but I am still not satisfied that the department is taking the whole question of really getting somewhere with health insurance as seriously as some of us would like them to. One of the reasons I am not satisfied is that another type of question that I have been asking through the medium of the order paper relates to the whole matter of what is being done by the people who spend this money on health insurance studies.

A lengthy answer was placed on *Hansard* on March 16 of this year, covering a great many pages. There have been other answers since, but the gist of those answers is that many people are preparing various memoranda on this question of health insurance. But there is always the caveat entered to the effect that the work done by departmental people on the administration of health grants should be considered as part of the work in building up health insurance in Canada. The work done in the administration of health grants is all to the good, but I should like to see the minister direct the people in his department to spend a little more time, even if it means asking this house for more money, on the development of specific plans for health insurance in Canada.

On the other side, because I want to give credit where it is due, I will admit that the minister tabled, in response to a motion of mine some days ago, a lengthy document which lists the titles and dates of all memoranda of studies prepared by the directorate of health insurance studies on matters relating to health insurance from April 1, 1945, to March 16, 1950. This document is sessional paper No. 76E, and it was tabled on Monday, May 29, 1950. Amongst these documents are some which I should like very much to see, but I imagine if I moved to have them tabled the minister would say they are confidential. On the other hand if no action is taken on health insurance this fall, and at the next session we get the committee I have suggested, it might be possible for us to see some of those documents then.

I am not going to read the whole list, but I should like to give the minister credit for what has been done by pointing out there are some of these studies which show the government—or at least some of the people in the department—are thinking about this problem. For example on April 12, 1948, there was a memorandum entitled "Development of Health Insurance in Canada—Historical outline". Then there was one on May 4, 1948, which is the sort of document I should like to see if I could, entitled "Memorandum for Cabinet Consideration on Health Insurance (Preliminary Steps)". That looks as though it would be worth seeing. On September 7, 1949, there was a memorandum entitled "Health Insurance—An Informal Discussion"; October 17, 1949, another memorandum entitled "A National Health Service".

On November 18, 1949, there was a memorandum entitled "Proposed Redraft of Clause 16 (1) of the Draft for the National Health Bill". I do not know what that phrase "The National Health Bill" refers to, whether it refers to the draft bill we had back in 1944 or whether the government has the draft of another national health bill up its sleeve. Am I missing something?

Mr. Martin: I was just speaking to my parliamentary assistant.

Mr. Knowles: Is the member for Ottawa West your parliamentary assistant?

Mr. Martin: He helps me on occasion.

Mr. Knowles: Since he is the parliamentary assistant to the Minister of Trade and Commerce, I suppose that gives him wide latitude. On December 7, 1949, there was a memorandum entitled "Health Insurance Memorandum". Then on December 31, 1949, there was a memorandum entitled "Health Insurance —Redrafted Memorandum of December 7, 1949". Those are straws in the wind that look fairly good.

On January 23, 1950, there was a memorandum entitled "Health Insurance and General Practitioner Plan"; on January 24, 1950, "Proposals to Increase the Number of Physicians and Dental and Nursing Personnel in Canada". Also on January 24 there was another memorandum entitled "Report on Health Insurance"; on February 14, yet another one entitled "Report on Health Insurance". On that same date there was a "Supplementary Report on Health Insurance". There are a few more in the list, and finally on March 11, 1950, there was a memorandum entitled "Proposals to Increase the Number of Physicians, Dental and Nursing Personnel in Canada—Redraft of memorandum of January 24".

As I have said, that is just a list of titles and dates, but it does suggest that somewhere in the department someone is giving some thought to this question, and those thoughts are being put down in black and white. I admit that if the minister gave me one choice amongst those documents, the one I should like most of all to see is that "Memorandum for Cabinet Consideration on Health Insurance (Preliminary Steps)".

Mr. Martin: The hon. member would have to change his party affiliation, and I suspect that is impossible.

Mr. Knowles: For once the minister is right. My whole point in referring to this, Mr. Chairman, is to suggest that in asking for some step-up in this field of health insurance I am not asking the government or the department to start from scratch. They have done some thinking and have some documents. Surely the time has come to go ahead on that basis.

In the green book of 1945, on page 30, it was suggested that the estimated cost of health insurance was $256 million on the basis of the population in 1941. Sometime during the session I asked the minister, through a question on the order paper, whether that estimate was still considered a good one, and the answer was no, but consideration was being given to a revised estimate. I have no doubt that a revised estimate today would be higher than that, by reason both of the increase in our population and of the increased cost of medical services. However, it should be pointed out that when we ask for health insurance, unlike asking for better old age pensions, we are not asking for a new burden on the economy of the country as a whole. Most of this money is already being spent. The difficulty is that the incidence of it is bearing too heavily on the few whom ill health hits, rather than being spread over

the population as a whole. What health insurance does is to rechannel the amount of money that is being spent on health in a more equitable manner, and in a way to make it possible for all the people to get the health services that they require.

Mr. Chairman, I said at the beginning I was going to confine myself to one subject, despite my interest in many in this branch of the department, so I leave it at that. I plead with the government that they do not wait until we have all the services before we have health insurance, but that they bring in at the earliest possible date legislation to establish health insurance for the people of this country.

Mr. Fleming: Is the minister going to give that information he promised?

The Deputy Chairman: I understand that information will be given when item 216, which is the administration item for the national health branch, is called.

Mr. Fleming: We have been given no information as yet.

Mr. Martin: I am going to give it on that item.

The Deputy Chairman: Order. I understood when the member for Winnipeg North Centre was speaking that the work had been divided into the national health branch and the welfare branch. The discussion was to take place, then item 216 concerning the administration of the national health branch would be called, and the minister would make his reply.

Mr. Fleming: I may have misunderstood what was said this morning, but I thought only item 242 was to stand, not all the welfare items of the department.

Mr. Martin: That is right. What I said this morning was that the item covering old age security would stand, and that was the only item, not the whole welfare branch. What I propose now is that this item be carried, and then I will deal with health administration and all the questions that have been asked.

Mr. Fleming: What about the expenditures under this item?

Mr. Martin: I will give the whole thing right away.

Mr. Major: The hon. member for Peace River mentioned a matter which to me seems important and vital. He mentioned that much of the food being consumed was deficient in minerals owing to soil deficiency, which perhaps was the reason for some of the diseases we are meeting today. I believe that is an important point. I know that plants grown in deficient soil are stunted and sparse, and an animal fed on such plants has a hard time making progressive growth. It stands to reason that such an animal would not obtain sufficient minerals, and that would also be the case with the food product reaching the consumer.

Some time ago I mentioned in the house that farmers were very concerned about rebuilding their soil so that it would produce food containing the proper proportion of minerals. Today the farmers are not in the position to do that. They have been striving to produce cheap food, and in doing so have depleted their soil and allowed their buildings to get run down. They have produced cheap food, but it has been cheap not only in cost but in quality. Knowing that, and knowing that with the prices now being paid for agricultural products the farmers are not able to build up their soil, I believe we should seriously consider ways and means of placing the farmer in a position to replenish his soil so he will be able to produce food that will contain the minerals that are necessary if our people are to remain healthy.

Mr. Fulton: There is just one subject on which I would like to say a few words on this general item of departmental administration, and that is the question of publicity and information. I should like to make it perfectly clear that I am not suggesting there are not certain departments in which information both as to the activities of the department and the progress being made in its work is perfectly legitimate and should be made available to the public. But while I believe that is true, and have no criticism of that type of information service, I have a deep-rooted objection to the use of information facilities within departments in order to put out not only government propaganda but partisan propaganda. The great difficulty is that departments and ministers find it so hard to resist the temptation to believe that what they are doing and the policies they are advocating and the government they are serving are the best. So it seems they cannot help publicizing not only their genuine departmental activities and services, but the points of view they espouse of a political as well as of an administrative nature.

That being so it appears that this tendency results, as we see from a comparison of today's spending with the past, in a constant increase in the amount being spent for publicity and information. This year the total being spent by all departments of government on publicity and information, as disclosed in the estimates, amounts to some $6 million. I gave the

exact figures in the course of an earlier speech, and they can be found in the record. When we are considering ways and means of reducing taxes I suggest that if we could find a way to reduce this expenditure without actually impairing the efficiency of the work and without depriving the public of genuine information to which it is entitled, that would be a worthwhile effort. Certainly one way it could be done is by cutting out the propaganda aspect of government information and publicity services.

I am going to urge that serious consideration be given a suggestion which has been made previously by myself and others; that is, that in order to control this expenditure for publicity and information throughout government departments a central bureau of information be set up, in the same way the printing bureau and the bureau for translations were set up, in order to do away with the overlapping and competition as between departments in connection with those services. We are now spending some $6 million a year on publicity, as far as we can ascertain from the estimates; but there are a number of hidden items, so the actual expenditure would be found to exceed $6 million if we had an accurate break-down. At any rate, we are spending $6 million now, and I am certain we could set up a bureau of information, give it half that amount of money and still produce all the genuine governmental information required to keep the people informed on those subjects as to which information is vital and essential in the national interest. I cannot conceive that it would not be possible to give all the service necessary along these lines at an expenditure of only half the amount now being spent under that heading, and certainly nothing has been said to show the contrary.

In this department we find that this year, according to those items which actually appear in the estimates, $524,970 is being asked for publicity and information. It seems to me, Mr. Chairman, that you can tell an awful lot of people an awful lot of things with more than half a million dollars, and that a good many of the things they are told are not genuine departmental information but political propaganda. I believe the setting up of a bureau of information, whose job it would be to sort out the requests of the departments for information services and see that no propaganda was put out but only genuine information, would be a powerful tool to cut down both the amount of propaganda going out and the expenditure under this heading.

Not only do I suggest that there is a certain amount of unwarranted and unnecessary information in the nature of propaganda going out from this and other departments; I also suggest that some of the purely informational work is a waste of money, and the amount of it is increasing constantly. I hold in my hand the annual report of the Department of National Health and Welfare, for 1949. Starting at page 132 of the report, seven pages are devoted to the detail of "Information services." Here is an example of the way in which this thing is growing. On page 132 we find the following:

> An office manager was appointed to supervise the growing volume of documentation, accounting, recording, and other routine, permitting the director and editors to devote more time to creative work and to developing new projects.

Then we find at page 133—

Mr. Fleming: More poetry.

Mr. Martin: Would my hon. friend recommend that that project be not carried out?

Mr. Fulton: I know the minister always—

Mr. Martin: That is a simple question.

Mr. Fulton: My recommendation is surely equally simple. It is that there should be set up a bureau which, as between departments, and as to work within departments, will be an impartial referee, and will have the staff to say which project should be allowed and which projects are unnecessary and extravagant, and which are spending money on propaganda. Here are some which I think are unnecessary and extravagant. Under the heading "radio" at page 133, we find the following:

> An increased amount of radio time was secured and new ways were found of telling the department's story on the air. Hon. Paul Martin broadcast frequently, going on the air over national and international hook-ups as well as regularly on a local station.

I suggest, Mr. Chairman, it would be extremely difficult for any minister to differentiate on a local station—

Mr. Martin: On a point of privilege, I have never made one broadcast over a national hook-up, over a provincial hook-up, over a local hook-up, for which I personally have not had to pay myself.

Mr. Fulton: I must say there is no point of privilege there.

Mr. Martin: Yes, there is. My point of privilege is the hon. member said that I made a speech using departmental radio time and departmental funds. I have said to you that I never made such a radio speech.

Mr. Fulton: The minister is anticipating; he must have a guilty conscience.

Mr. Gauthier (Portneuf): He knew what was coming.

Mr. Fulton: The report of the department states:

An increased amount of radio time was secured and new ways were found of telling the department's story on the air. Hon. Paul Martin broadcast frequently, going on the air over national and international hook-ups as well as regularly on a local station. The minister was featured on a radio farm forum program with a wide listening audience. Local radio talks under the title "Report from Parliament Hill," in which the minister explained all the department's services, were mimeographed and bound, and these informal reports provide excellent reference material.

Mr. Knowles: Question.

Mr. Ferrie: What is wrong with that?

Mr. Fulton: It is contained in the department's own report. We all know what the local report from parliament hill is. I suggest that it will be most difficult for any minister and for any listening public to differentiate between the minister's political point of view as advanced in the broadcast over that station, and the departmental work which he is describing.

Mr. Martin: I have that difficulty myself.

Mr. Fulton: Exactly. We are told that departmental funds and departmental staff have been devoted not only to securing more time on the radio but also to binding the speeches, making them available and distributing them throughout the country. I do not think that is a necessary or justifiable expenditure of the departmental or public funds.

Mr. Martin: I have just said there were no departmental funds spent. I did not misunderstand my hon. friend. None of my speeches over the radio have cost the department anything. I want that clearly understood. I might agree with my hon. friend as to the value of those speeches, but that is another matter.

Mr. Fulton: The report makes it perfectly clear, unless the language used is incorrect, what the meaning is. It says:

Local radio talks under the title "Report from Parliament Hill"—

Which we know does not cost a member or the department anything.

Local radio talks under the title "Report from Parliament Hill," in which the minister explained all the department's services, were mimeographed and bound, and these informal reports provide excellent reference material.

That surely takes the time of the staff of the department and costs money for the stationery involved in the printing, binding and distribution. It is made available as a report on the departmental activities; therefore we can draw no other conclusion than that it was carried out on a departmental basis and with the expenditure of departmental funds, which are public funds.

On the same page of the report we find:

This year the division experimented with radio plays, first with amateurs, later employing professionals both for preparation and presentation.

That is an example of the growing amount of expenditure made in connection with these items of publicity and information. Some of us have seen the actual press releases and information releases put out by this department, and many of us wonder whether the expenditure involved in the preparation of these "dietary ditties" and so on are justified. Here is the attitude toward the periodical, as given on page 134: "It is reported that bright and informative supplements were published dealing with mental health, family allowances, old age pensions, nutrition, the new national health program and schools of social work". Once again I suggest that it is extremely difficult, if not impossible, to differentiate between genuine information as to what is being done in research which is being carried on and propaganda on behalf of the party which is putting out this work and spending the money on these things.

Then we have some interesting titles given as to the material put out. I suggest the very titles might raise the question, and do raise the question, as to whether the money is being well spent. Let me cite one sample from page 135:

Additional folders were produced in the child training series in collaboration with the mental health and child and maternal health divisions. These include sex, temper, fear, nervous habits, lying and stealing and thumb-sucking.

Mr. Martin: The hon. member thinks we should not have these?

Mr. Fulton: I wonder how valuable a contribution to the information on the work of this department publications entitled sex, temper, fear, nervous habits, lying and stealing and thumb-sucking may be, and how much money we are justified in spending on publications of that type. Certainly from some of the press fillers that we have seen, to which reference has been made in the house before, I should say that the expenditure is not well justified.

Then the final reference I want to make to the report is found at page 137:

Arrangements were made for general theatrical showing of a newsclip featuring Hon. Paul Martin—

Mr. Fleming: Hear, hear.

Mr. Fulton: I continue:

—speaking on significance of the national health program.

My colleague from Eglinton remarks, "and of Paul Martin". That is of course an inescapable companion piece to the fact that the newsclip made was devoted to the significance of the national health program; but I suggest it is not an unwelcome feature of that program in the mind of the minister that it also publicized him in the eyes of the public as a result of the expenditure of public funds.

Mr. Fleming: It is a good thing he is not ambitious.

Mr. Martin: I let that go by.

Mr. Fulton: It is sometimes difficult to speak of these things, without giving undue weight to the political or propaganda aspect of them. I have tried not to stress that unduly, and I have attempted—

Some hon. Members: Oh, oh.

Mr. Fulton: Well, of course those hon. members who are laughing think that that is a perfectly legitimate expense, and that no criticism should be made of it from that aspect, but they would not expect us or really expect the public to share their view. I have admitted freely that there are certain legitimate departmental expenditures on information, so that for instance in the field of industrial health and in the field of research, where the government is providing public funds for that work, the results of such work should be made known to the public whose money pays for it. That type of information is perfectly legitimate.

However I come back again to the point that without some greater measure of control than we now have it is impossible to separate the legitimate informational work from the propaganda work of a political nature. When we find these large expenditures for publicity, with one department spending half a million dollars, then another department will almost inevitably say, "Our work is important, too. Look at the Department of National Health and Welfare, which is spending half a million dollars. Why do we not have more in our department to spend? Let us tell the people what we are doing". So in that way we find in this field a possibility of competition between departments. Indeed, the fact we are spending $6 million a year on publicity suggests it to be a reality. The setting up of a bureau of information or something along that line which would operate as a controlling factor before any information is put out would do much to eliminate the competitive aspect between departments and the improper spending of public money on political propaganda.

Mr. Martin: Mr. Chairman, for about two hours and a half I have listened to the debate, and I suppose hon. members would expect me to say something about some of the matters that have been raised. Unfortunately, under our procedure, this is sometimes difficult in a department such as mine, because the tendency is in a general debate to discuss items that might be discussed more specifically when the individual items are reached in the estimates. On that account it would be difficult—in fact, impossible, unless one were to take more time than the circumstances would warrant—to cover all the points that have been mentioned.

However I do wish to deal with one or two points, and when we come to the individual items I shall take that opportunity to make replies to some of the statements that have been made. First of all, however, may I place on record, as I promised the hon. member for Eglinton, a statement of expenditures for the Department of National Health and Welfare for the year 1949-50. It is as follows:

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Statement of Expenditures—Summary

No. of Vote 1950-51	Services	Expenditure 1949-50	Unliquidated commitments 1949-50	Total commitments 1949-50
		$	$	$
S	Minister's Salary and Motor Car Allowance	12,000.00	.....	12,000.00
215	Departmental Administration	787,075.69	19,222.66	806,298.35
	Health Services			
216	National Health Branch Administration	101,549.35	15,879.05	117,428.40
217	Food and Drugs	654,078.46	4,560.06	658,638.52
218	Proprietary or Patent Medicines	25,015.70	1.00	25,016.70
219	Opium and Narcotic Drugs	139,698.77	69.36	139,768.13
220	Quarantine and Leprosy	262,485.29	912.98	263,398.27
221	Laboratory of Hygiene	343,672.05	21,343.90	365,015.95
222	Immigration Medical Inspection	807,642.52	11,875.37	819,517.89

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Statement of Expenditures—Summary

No. of Vote 1950-51	Services	Expenditure 1949-50	Unliquidated commitments 1949-50	Total commitments 1949-50
		$	$	$
	Health Services—Conc.			
223	Child and Maternal Health	74,702.39	902.16	75,604.55
224	Public Health Engineering	128,105.88	1,239.28	129,345.16
225	Treatment of Sick Mariners	580,138.02	101.00	580,239.02
226	Industrial Health	116,936.27	7,351.57	124,287.84
227	Civil Service Health	198,695.59	222.88	198,918.47
228	Nutrition	128,268.80	1,215.73	129,484.53
229	Venereal Disease Control	35,387.18	34.70	35,421.88
230	Health Insurance Studies	56,097.33	465.66	56,562.99
231	Dental Health	45,733.11	8,771.85	54,504.96
232	Hospital Designs	18,890.77	12.27	18,903.04
233	Mental Health	86,080.34	1,526.81	87,607.15
234	Blindness Control	27,520.67	3,322.22	30,842.89
235	Epidemiology	22,010.63	146.07	22,156.70
236	Grants to Institutions Assisting Sailors	2,600.00	.....	2,600.00
237	Medical Services—Indians and Eskimos	9,924,124.00	48,942.45	9,973,066.45
238	Civil Aviation Medicines	35,490.29	138.25	35,628.54
	Total Health Services (Exclusive of Health Grants)	13,814,923.41	129,034.62	13,943,958.03
	Welfare Branch			
240	Welfare Branch Administration	27,186.81	68.25	27,255.06
241	Family Allowances Administration	1,836,018.16	19,516.70	1,855,534.86
S	Family Allowances Payments	297,514,033.94	.....	297,514,033.94
242	Old Age Pensions—Administration	72,985.32	90.16	73,075.48
S	Old Age Pensions—Payments	93,188,967.29	.....	93,188,967.29
243	National Physical Fitness—Administration	60,887.00	.....	60,887.00
244	National Physical Fitness—Assistance to Provinces	85,689.00	.....	85,689.00
245	Assistance to Schools of Social Work	52,500.00	.....	52,500.00
	Appropriations not required for 1950-51	20,000.00	.....	20,000.00
	Total Welfare Branch	392,858,267.52	19,675.11	392,877,942.63
	Miscellaneous Grants			
	Grant to:—			
246	Canadian Welfare Council	12,600.00	.....	12,600.00
247	Canadian National Committee for Mental Hygiene	10,000.00	.....	10,000.00
248	Health League of Canada	10,000.00	.....	10,000.00
249	Canadian Public Health Association	5,000.00	.....	5,000.00
250	Canadian National Institute for the Blind	45,000.00	.....	45,000.00
251	L'Association Canadienne Francaise des Aveugles	6,000.00	.....	6,000.00
252	L'Institut Nazareth de Montreal	4,050.00	.....	4,050.00
253	Montreal Association for the Blind	4,050.00	.....	4,050.00
254	Canadian Tuberculosis Association	20,250.00	.....	20,250.00
255	Victorian Order of Nurses	13,100.00	.....	13,100.00
256	St. John Ambulance Association	4,050.00	.....	4,050.00
257	Canadian Red Cross	10,000.00	.....	10,000.00
258	Canadian Paraplegic Association	15,000.00	.....	15,000.00
	Total Miscellaneous Grants	159,100.00	.....	159,100.00
	SUMMARY			
	Minister's Salary and Car Allowance	12,000.00	.....	12,000.00
	Departmental Administration	787,075.69	19,222.66	806,298.35
	Health Branch (exclusive of Health Grants)	13,814,923.41	129,034.62	13,943,958.03
	Welfare Branch	392,858,267.52	19,675.11	392,877,942.63
	Miscellaneous Grants	159,100.00	.....	159,100.00
	GRAND TOTAL (Exclusive of Health Grants)	407,631,366.62	167,932.39	407,819,299.01

May I, at the outset, thank those hon. members who spoke particularly of the personnel in this department. No minister is better served, and I do not think any country is better served in the matter of health and welfare, through its public service, than is this country or than I am as Minister of National Health and Welfare.

May I first pay tribute to the staff—to all of them, including those who occupy senior posts and those who occupy the lowliest posts in the department—for what they are doing for this country. One does not like to mention names particularly, but because of the unusual distinction that comes with the designation of winner of the professional institute medal, let me say on behalf of the department how proud we were that the professional institute medal was this year given to one of the greatest men in the public health work of our country, Dr. Fred Jackson, director of health insurance studies.

A number of items have been discussed. The hon. member for Kamloops has referred to one in particular. It is all very well to say that we are spending too much on health information. No one is more concerned than I am about unnecessary expenditures in this particular. No one has taken greater care to see that in the opinion of my officers, of myself and of the provincial governments whatever expenditures we make in the field of health information are those which, after careful consideration, are thought to be expenditures that we should undertake.

No one has pointed out that the expenditures for health information this year have been reduced by over $73,000. One could make a strong case in criticizing that reduction. The speech of the hon. member for Peace River—I believe perhaps the finest speech this afternoon—urged us not to hesitate to use public funds to disseminate knowledge about health and welfare among our people. I took that as a challenge, and I will say this, that if any hon. member can show me one pamphlet or one film or one project carried on the information branch that should not be carried on, then I should like to have that suggestion made.

It is all very well to say we are spending too much money. But are we spending too much money when we have films telling the people of this country the ways and means of attacking mental illness? With respect to some of the titles to which my hon. friend referred, I do not criticize him for taking part in the debate in the lyrical and satirical way he did; that is perfectly natural—but the titles I must say are suggested by those who know how to reach the people. There is not one pamphlet, not one film undertaken by the Department of National Health and Welfare that is not approved by all the provinces sitting in at the annual conference of the health educational divisions across this country.

Then, with regard to the other projects, apart from certain publications we have taken over from the national welfare council, it will be found that all the publications, all the films and other projects have been recommended by the dominion council of health. Twice each year all the provincial governments meet with us here in Ottawa, incidentally at our expense, to discuss ways and means of co-ordination in the field of health activities. They meet with us to discuss ways and means of avoiding duplication and overlapping.

Let me say that there is no sphere of government where co-operation between the provinces and the dominion is as effective and as continuous as in the fields represented by the dominion council of health. In addition to that, I have a committee in our department that goes over matters carefully, and reviews the technical aspects as well as the effectiveness of distribution.

I know what my hon. friend does not like. The fact is that in this Department of National Health and Welfare we are doing something for the people of Canada. The fact that we have taken ways and means to let the people know what we have done proves a little irritating to some hon. members—just as it would to me, if I were sitting over there.

The hon. member has referred to travelling expenses. The travelling expenses in this department are large, but they are not by any means the largest of any government department. I believe we would stand about sixth in the extent of our expenditures in this connection. But is there a department in which the obligation to travel is greater? I certainly do not feel, for one, that I am a good Minister of National Health and Welfare unless I get around this country and see for myself what should be done. That I propose to continue to do. I do not think, further, that my officials are doing their jobs unless they, too, carry on a program of visiting the centres, dealing with the provinces, dealing with the hospitals, dealing with our food and drug administration, dealing with our narcotics administration and the like.

Let us examine this travelling expenses vote to which reference has been made. Of the increase over last year, some $60,000 is due to the increased expenditures incurred in taking Indians from more remote areas of

our country to hospitals for hospitalization and medical attention. Of the total, $208,000 —I am using round figures—is spent in the transportation of sick Indians to hospitals. Other expenditures are necessary for the travelling of the dominion council of health and the Canadian council of nutrition, bodies which are representative of the provinces; and also for the transportation of sick mariners to hospitals, a statutory obligation. Then there is the cost of delegates to the second assembly world health organization, which it was suggested was a wrong thing to approve.

Then there are the courses taken in connection with civil aviation, medicine and the travelling expenses of our food and drug inspectors. Last year only $34,000 was spent and there was criticism by the drug council that we were not keeping up with the situation. One reason was that we had not enough inspectors. However, the number is now up to around forty. There are also the travelling expenses of the narcotic inspectors and the quarantine medical officers who are engaged in the inspection of aircraft and vessels.

Then there are medical officers who are engaged in the inspection of prospective immigrants. There are also the field officers of the public health engineering branch. We are trying to do something to improve the quality of the drinking water consumed in this country and the water available in our trains, aeroplanes, stations and public buildings is inspected by these officers in co-operation with the provincial officers. I suggest that we should carry on that kind of work.

Then there are the officers of the family allowances division who make inspections to see that the money is not being misspent. We are spending $309 million this year and travelling expenses of around $39,000 is not an overestimate or overexpenditure. There are the travelling expenses of the old age pension auditors and the child and maternal health division officers, which is I submit a legitimate expense. We would not be doing our job in this department, as I have been told on previous occasions by hon. members opposite that we were not, if our officers were not travelling around in the performance of their duties.

Then there is the Indian health service which requires the transportation of the field staff of doctors and patients. Within five years our expenditures on Indian health have gone up six times. We have 21 hospitals all over the country, with nursing stations. Then there are the doctors on part time who are assisting us in this work. All this requires travelling, and I submit necessary travelling.

[Mr. Martin.]

The hon. member for Rosetown-Biggar in his excellent statement, which was supported by the hon. member for Glengarry, referred to the importance of nutrition. Incidentally the head of our nutrition branch is an Albertan which should give confidence to the hon. member for Peace River who has made some observations. We are making nutrition surveys continuously and at times the amount of travelling involved is very heavy. But it is necessary to carry on this important work.

Industrial health surveys are now being made in the province of Quebec and in the maritime provinces in connection with silicosis and the like. This entails travelling by the officers if the job is to be done. We are now making a dental health survey which involves travelling expenditures. Also a morbidity survey is being undertaken.

One can talk about the work of the regional directors of family allowances and the work of our senior departmental officers in connection with the health branch. There are officers who are continually in touch with the provinces, not only by letter but more particularly by telephone and personal contact. Dr. Jackson and his staff are repeatedly in contact with the provincial governments in connection with the national health program. It takes time and patience on the part of all concerned to set up such a program and there is need to have men all over the country, in some instances trying to persuade provincial officers to co-operate or trying to persuade provincial authorities as to the desirability of sending in projects. There is a need of personnel in many branches of health work and our officers try to supply that at all times.

I think the explanation that the increase in travelling expenditures is due mainly to the transportation of Indians from remote areas to the hospital centres is one that will commend itself to every hon. member of the committee. No reference was made to the decrease that has occurred in travelling expenditures by many divisions. There is a decrease in travelling estimates in national health branch administration, in the immigration medical service, in the child and maternal health division, in the public health engineering division, in the civil service health division, in the nutrition division, in the mental health division, in welfare branch administration and in departmental administration.

Mr. Fleming: Is that as compared with last year's expenditures or estimates?

Mr. Martin: The hon. member for Rosetown-Biggar raised a matter of great interest —I cannot discuss all the matters that were

raised—which I think deserves further attention. He referred to disseminated sclerosis and the need to do something about that disease. I told him last year that we were giving consideration in our research grants to a project to deal with that very thing. There are now two research projects under way in the field, one at Queen's university and one by the Saskatchewan health department. The cost of both projects is being borne entirely by the federal government.

Mr. Coldwell: What amount is being appropriated?

Mr. Martin: I have not the total amount, but the projects were sent in by the provinces.

Mr. Coldwell: What is the federal contribution?

Mr. Martin: The total cost is being borne by us. I have not the figure right here but I shall get it. Then the hon. member referred to the Montreal Neurological Institute. I was able to tell this house two years ago of an annual grant that we were going to make toward the work of Dr. Penfield, a work which is of national and international significance. I am happy to say that this year we have supplemented that by an equipment grant of $173,000. I am happy to say that we are giving consideration to making a hospital construction grant to that particular institution. Anything that we can do to help that institution will not go undone.

Reference was made to sundries and the hon. member for Eglinton suggested that we were spending some $200,000 for sundries. Let us see what that represents. Of that expenditure, $130,000 or approximately 60 per cent is to cover laundry services for the Indian medical services where departmental laundries do not exist or would be impracticable. For instance, at Edmonton and Nanaimo laundry costs run about $30,000 a year. You cannot build hospital facilities and nursing centres unless these expenditures are made.

Mr. Fleming: In a case like that why should it not be shown that the expenditure is for laundry services?

Mr. Martin: There is no primary item for that. Perhaps consideration will be given to giving that information in that way. I merely mention that to indicate the real story of the sundries item. Reference was made to the grant to schools of social work. This year we are making a grant of $52,500. Hon. members have written to me suggesting that this is not a large enough amount to cover the important work that the schools of social work are doing. I recognize the importance of the work because the personnel of my department to be efficient inevitably must be made up of people who have not only the training gained through experience but also the knowledge that comes from formal education. It was for that reason that this grant, which was started during the war, has been continued. Whether or not it will be increased will be a matter that will have to rest with the government as a whole, and our policy in that regard will have to be announced in due course.

As to the question of incurables, I saw the delegation to which the hon. member referred when it was here. I agree with the hon. member for Peace River that one could not help noticing their disabilities and recognizing the great and almost prior social claim that they have upon those of us in the government and outside because of the particular handicaps under which they are suffering. For personal reasons I feel very keenly about this matter, as hon. members well know. I take second place to no man in my desire to set in motion—and I cannot speak any more succinctly or finally on this subject—something that I trust and hope will, in the course of not too long a time, afford some relief to these people.

We have made a start. In the first place I do not recognize that the problem is solely our responsibility. I will not argue now as to whose responsibility it is. I think it is clear that in this country we do not want to overcentralize in the government at Ottawa, either in terms of policy or in terms of administration, matters having to do with either health or social welfare. Certainly that is my view. The provinces, the municipalities and voluntary bodies have a responsibility as to the handicapped, or incurables, as they are sometimes called.

Mr. Coldwell: Within their financial ability.

Mr. Martin: Yes, and within ours too. I do not feel I am doing my duty if I do not constantly emphasize that all these meritorious things in the field of health and social welfare have to be paid for, and there is only one way by which most of us recognize they can be paid for, out of the hard work of the people. Recognizing the importance of this matter, we have instituted a sickness survey that will begin shortly. It will be carried out by the provinces with the total expense to be borne by us. Its purpose is to ascertain (a) the number of incurables and (b) the number who are non-income earning, so that we can make an assessment of the problem and be able to know exactly what the problem is. Having made that assessment, we will be in a more intelligent

position to formulate a policy alone or in collaboration with the other governments of the country.

In addition, as the house knows, at the instance of the Minister of Labour, the Minister of Veterans Affairs and the Minister of National Health and Welfare a conference on rehabilitation was called to meet on May 25 last. All provincial governments, certain voluntary bodies and certain organizations representing the incurables and the handicapped had agreed to come. Unfortunately the Manitoba flood caused the governments of Saskatchewan and Manitoba to request a postponement of the conference. Under the circumstances they could not allow their officials to attend such a conference at that time, important as it was. It was not because those provinces were not interested but because a prior obligation had suddenly seized them. I am hoping that the conference can take place at the earliest possible moment for the purpose of exploring the position that must be taken as to this most important problem, one which has, as I say, not only a great appeal but a great claim on our sympathy.

Reference was made to the question of health insurance, and my views on this subject are well known. There is the question of the burdensome cost of hospital care, drugs, and what I might call ancillaries of that character, together with medical expenses, and I have put them deservedly last, I think. Not recognizing the situation in specific instances, but recognizing the burden of these things, I have put medical expenses last, not in terms of importance but in terms of what it means by way of economic burden on the majority of the people of Canada. I believe, as I have always believed —and I am now speaking personally—that the problem of sharing the cost of health care can be met effectively by a system of health insurance. One has to recognize that in the pursuit of that objective there are certain important circumstances to consider. I believe one of these is that nothing should ever be done to interfere with the doctor-patient relationship that has become a tradition in this country. I think anything that would interfere with the autonomy—and I mean that in the professional sense—of the doctor would be serious not only for the doctor but more particularly for the cause of good health in this country.

I feel I should say that because it is so often suggested that the intention is to make doctors simply servants or salaried officers of the state. I believe it is important to maintain the doctor-patient relationship. It is also important to recognize, if we are going to develop a satisfactory plan, that under the constitution the primary responsibility for health rests with the provincial governments. Some may argue that the situation should be otherwise, but that is the constitutional fact. I respect it, and I think in terms of administration it is a good thing, as well as from the point of view of developing a sound policy. I believe all these things must be carefully considered. As we go forward step by step with our social security program, we will want to make sure that each step is taken responsibly and carefully in the light of all the circumstances in order to avoid retrenchment or abandonment of programs later on which might prove disastrous, as so many hon. members know.

The hon. member for Winnipeg North Centre referred to the proposals made by the government in 1945 which involved the recognition of the collaborative possibilities of action between the provinces and the federal government. I made a statement in this house not so long ago which I repeat, that a national health plan, in the language of the former prime minister and repeated by his successor, is looked upon as a fundamental prerequisite to the establishment of a national system of health insurance. It is all very well to say that we can wait too long for our services to be built up. One hon. gentleman said that our services were being built up now, and in the next breath he complained that we were not building them up fast enough. The fact is that we have in the past two years, in collaboration with the provinces, built over 20,000 hospital beds. Our objective was 40,000 hospital beds in five years. In less than two and a half years we have exceeded half of our total objective. We are training personnel in all branches of health activity; in the field of mental health; in the field of tuberculosis control; in the field of crippling conditions in children. We have increased the number of health units. When I say "we have increased," the provinces have recommended to us projects which call for the increase of public health units, and we have paid the cost of those additional health units that are being built all over the country at the suggestion of the provinces and administered by them.

All of these public health units are a very important phase in the development of a program by which we will attempt, I hope in a responsible way, to meet what undoubtedly is a great economic burden on the masses of the people of this country. When you think

that at the moment we are training under that plan over 1,500 individuals, giving them post-graduate training; training in particular phases of research, and in particular phases of public health administration, you will realize the tremendous transition that is taking place. I hope, and I believe, it is taking place along responsible lines towards the improvement of the health services, as a condition precedent to the next step. When one thinks that we have made it possible for the provincial governments alone to increase their personnel by over 2,000 individuals, one will appreciate the great preparatory steps that are being taken in connection with this matter. One could go on reciting the achievements that are the result of the joint effort of provincial and federal governments in the execution of a national health program. I have only touched a few of the highlights but they are significant in more ways than one, not only on the research side but what is being done, for instance, in the province of Saskatchewan. In that province there is a project, signed only the other day, concerning the second phase of a dental health program in the schools. One could mention the assistance that we are giving to arthritic sufferers through the arthritic and rheumatism society in British Columbia. One could single out of all these things many examples of what is being done. In other words what I am seeking to establish, and to impress upon the house, is that we are building a whole series of medical services in this country that will place us in a very strong position once we have to deal with the broader problem in collaboration with the provinces, upon whom, under our constitution, rests the primary responsibility.

I repeat now what I said to the house. "This program would have the added advantage of being the fundamental prerequisite of a nation-wide system of health insurance. Indeed, this program represents the first stages. The new services being developed and the new hospitals being built with these federal grants are hastening the moment when in every province it will be possible to consider further action towards hospital and medical care insurance—for which, of course, the federal government stands ready to provide assistance, under satisfactory agreements for dominion-provincial co-operation." Then, I associated that with a statement made by the Prime Minister in a radio address in which he said:

> It is up to the people and the government in each province to take the initiative in working out health insurance plans in line with their local conditions and their traditions.

Anyone who has had anything to do with provincial administration or with federal administration would recognize that that statement was nothing but an important one, particularly in the light of the present character of dominion-provincial relations in this country.

Mr. Chairman, there were many other matters to which reference was made by the various members. I may be overlooking quite a number of them. All I hoped to do in this initial statement was to generally deal with some of the problems that have been mentioned. The Department of National Health and Welfare has assumed increasing importance. Our total expenditure proposed for this year amounts to $455 million. The main part of that total is made up of uncontrollable items. Over ninety per cent of the expenditures of this department are for family allowances, old age pensions and certain statutory obligations such as food and drugs and narcotics control. This covers the work being done by the department in the various fields that are created either by statute or by provincial agreements, and leaves less than ten per cent of the departmental activities that one may consider in the controllable class.

When one examines that controllable class, one finds that in fact most of the expenditures are uncontrollable. There is first of all the money that is being spent on Indian health; there is the money that is being spent on a national health program. That leaves only four and one-half million dollars in the health branch that can again be regarded under the heading of "controllable." Out of that four and one-half million dollars the Department of National Health and Welfare is left with only $1,200,000 to engage in matters of health on a co-ordinating basis with the provinces. Instead of saying that we are spending too much in the field of health, I am forced—

Mr. Coldwell: No one has said that.

Mr. Martin: No, I said that instead of saying that, I am forced to affirm that I do not believe this represents by any means an undue expenditure in trying to bring about co-ordination in all the fields of health activities with the provinces. It is true that the national health program this year, which makes $34 million available to the provinces, does open up a channel of opportunity which I know commends itself to the house, just as I believe it commends itself to most people in this country.

At six o'clock the Speaker resumed the chair and the house took recess.

Private Bills

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILLS

ASSOCIATION OF KINSMEN CLUBS

Mr. H. W. Winkler (for Mr. Benidickson) moved the second reading of Bill No. 312, to incorporate the Association of Kinsmen Clubs.

Some hon. Members: Explain.

Mr. Graydon: In view of the fact that the Kinsmen clubs have done such magnificent work in connection with public welfare I wonder if the sponsor of the bill would care to comment upon that work. I think it is something the house would like to hear about.

Mr. Winkler: I am hardly in a position to say very much about the Kinsmen clubs. No doubt many hon. members here have been or are members, and they could speak of the work of that organization very much more effectively. The purpose of this bill is merely to incorporate the clubs, and after it has been given second reading the bill will go to the committee on miscellaneous private bills, where all the details will be given.

Mr. Clarence Gillis (Cape Breton South): This matter of the incorporation of an organization is not so simple. It throws a lot of legal responsibilities in their laps. I should like to ask if this bill has been approved by the Kinsmen clubs right across the country. Do they want this type of organization? I have read the bill, and it gives a great deal of power to a few people in the province of Ontario with respect to the regulation of that organization, the holding and disposing of property, and so on. I would like to be sure that the Kinsmen clubs across the country desire this incorporation.

Mr. Winkler: I cannot speak for the Kinsmen clubs, but all these details will be gone into before the committee, which will have to be satisfied before the bill can be sent back to the house for third reading.

Motion agreed to and bill read the second time.

Mr. Speaker: This bill is referred to the standing committee on miscellaneous private bills.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR ABOLITION OF CAPITAL PUNISHMENT

The house resumed, from Tuesday, June 6, consideration of the motion of Mr. Thatcher for the second reading of Bill No. 2, to amend the Criminal Code (capital punishment).

[Mr. Martin.]

Mr. Thatcher: Mr. Speaker—

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

Mr. W. R. Thatcher (Moose Jaw): Mr. Speaker, I placed this bill on the order paper last February, and shortly thereafter it was given first reading. However, as hon. members know, under the rules of the house, private bills are given precedence, and this year parliament had before it the contentious pipe line bills which involved prolonged debate. As a result the bill now before us has been discussed for only two hours. I suppose I am biased, but I still do not feel the house has given it sufficient consideration to reach a vote. In view of what was said the other evening by the Solicitor General (Mr. Lapointe) it is perfectly obvious that if a vote should come now the bill has little chance of passing. Therefore I would ask permission to withdraw the bill. I will state now that whether or not I am given permission I should like to introduce the bill again next year.

Mr. Speaker: Has the hon. member leave to withdraw the bill?

Some hon. Members: Agreed.

Mr. Speaker: Withdrawn.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

The house resumed, from Tuesday, June 13, consideration of the motion of Mr. Knowles for the second reading of Bill No. 13, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, practically every member of this house you speak to privately is of the opinion that this matter of divorce should be taken out of the House of Commons and Senate. That is their private opinion. Some hon. members and a section of the press look upon this matter from a straight sectarian standpoint, and are of the opinion that this bill contains the principle of divorce as such. As far as I am concerned my religious persuasion places me in the position that I am unalterably opposed to divorce as such, but I do not see this bill in that category.

From time to time those in the other place have registered their disapproval of the method employed in the granting of divorce in the province of Quebec. From what you hear emanating in the other place they would like to be relieved of this responsibility. As I said before, this is not a question of deciding on the principle of divorce. That has

been decided already. Whether we like it or not we have divorce, and as far as I am concerned all this bill seeks to do is devise some other means more in keeping with our times than the way it has been done in the past. We have divorce now; so the argument that by passing this bill and shifting responsibility from the Senate and House of Commons to the exchequer court, in effect we would be deciding the principle of divorce and registering approval of it, in my opinion is quite wrong.

For several sessions I served on the committee on miscellaneous private bills, to which these bills are referred. During my years of service on that committee I opposed all these bills in cases where children were involved. Under the method now followed in the province of Quebec, if you have a legal separation there are institutions that will maintain the children if the parents are not prepared to do so. As soon as you go to the Senate, however, and obtain a divorce you are legally divorcing the children in that province from the maintenance now provided under the separation arrangements.

I do not think it is true to say that passing this responsibility over to the exchequer court would increase the number of divorces in Quebec. We handle some 300 divorces a year coming from that province, and if you will take the province of Ontario, which is most nearly comparable to Quebec, you will find that year by year the divorce ratio in Quebec is equal to that of Ontario.

Some hon. Members: Oh, no.

Mr. Gillis: Oh, yes; so if they went to a court it would not affect the matter one way or the other. I want to have it understood—I have already voted for the bill—that I am still in favour of it. If the matter is handled by the exchequer court—the court is there now, and I do not think it is too busy—at least those seeking divorce would not receive the publicity that they do at the present time. While we stand up in the house and speak and vote against crime comics and obscene literature, the three hundred divorce bills that go through year after year and the published evidence that is circulated in the House of Commons and to some extent through the country are, in my opinion, much worse than any of the literature that you could pick up on the newsstands. By shifting from one government institution, or two government institutions, the problem of handling divorce to another government institution we are certainly not deciding on the principle of divorce, because we have divorce now. I think this bill proposes a better device and a better method of handling divorce, until such time as it is decided in some other way than it is handled at the present time.

Right Hon. L. S. St. Laurent (Prime Minister): I do not intend to take very long, and I am not rising to talk this bill out, but to bring before the house certain facts that have not been alluded to in this debate though they were brought before the house on a former occasion when a similar bill was introduced.

There is no doubt that under the British North America Act parliament has jurisdiction with respect to divorce. That is one of the express provisions of the act. There is also no doubt that before confederation there were in force in the province of Quebec laws which by virtue of the British North America Act continue in force until they are amended or repealed by the jurisdiction having authority to deal with them. That is to be found in the explicit terms of section 129 of the British North America Act.

Among the laws which were in force in the province of Quebec, and which have not been dealt with by the legislature of Quebec or by this parliament up to the present time, and which continue to be in force, is section 185 of the Quebec civil code. That is in force in the province of Quebec, and it is not in force anywhere else, and any legislation to deal with it is legislation for the province of Quebec and for the province of Quebec alone.

That section of the code is very clear, and I think the shortest way to bring its content before hon. members is to read it. It is as follows:

> Marriage can only be dissolved by the natural death of one of the parties; while both live, it is indissoluble.

Such is the Quebec law at the present time, and until that law is amended or repealed, the matter is not one of who will have jurisdiction to hear a divorce case; the matter to be dealt with consists of a fundamental declaration of the law and that is why the hon. member who introduced this bill took the precaution to declare that the exchequer court would have jurisdiction and would have the right to dissolve a marriage. That however would be legislating for the province of Quebec. It would be within the power of this parliament, but still it would be legislating on a matter which is extremely distasteful to the large majority of the people of that province. I can understand that it may not be agreeable for the houses of parliament to have to deal with these individual cases which are brought up from year to year. But parliament does deal with them, and the manner in which it deals with them does give satisfaction to those who believe that there should be a legal procedure for obtaining dissolution of a marriage. That is something which has been going on ever since confederation, and which has created no controversial issue

between the majority in my province and the majority in other provinces who may or may not believe that divorce is a good thing, or that divorce is an inevitable evil.

But this proposal to legislate contrarily to the terms of section 185 of the Quebec civil code will be strongly resented on religious grounds by the very large majority of the people of the province of Quebec.

We have made considerable progress in recent years toward national unity, and the matter now being debated is something which would be felt by a large number as being an imposition by a majority of a law that the people of the province of Quebec do not want. Why do it? Simply because it would relieve us here of the painful duty of having to consider these individual divorce bills, why create that controversy and disturb a situation with which I think most Canadians are satisfied, why disturb the good relations and tolerant attitude of each sector of the population toward the other sectors of the population?

I submit that we should continue, as our predecessors have done, to deal with the individual cases rather than have parliament exercise its jurisdiction and pass an act which would bring an exception to the application of this general law and in one fell swoop take this general law out of the civil code of Quebec.

Mr. Knowles: Mr. Speaker—

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

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, since the Prime Minister has said something on this bill I should like to say a word regarding the other place handling divorce bills. In the Senate the members who are on the divorce committee have to sit whether the Senate is sitting or not. Since I came here in 1940 I have noticed that while the other place may be adjourned for a week or two weeks, still the senators who are members of the divorce committee have to sit and study these bills. In justice to these men who faithfully stay on the job I personally feel that some consideration should be given to them for the work they have done and are doing.

Just a short time ago I heard that one man has failed in health owing to the fact that he had been on the divorce committee so long. I think something should be done for them.

Mr. Ralph Maybank (Winnipeg South Centre): Mr. Speaker, I have always been opposed to the present method of handling divorce cases; I am still opposed to it. I think we ought to get away from the granting of divorces by a special law in each case. I cannot see that there is any good reason why a woman who has had a certain amount of trouble with her husband should come to parliament and ask to have a law passed for her special benefit; or that a man who has had trouble with his wife—the trouble in each case getting to the point of one of them committing adultery—should expect parliament to pass a law for his benefit. I do not think it should be expected by either of them. Parliament should not pass for them individually a law saying they are no longer married, and that they may marry again. More especially is this so perhaps when our law cannot say anything about children or about property.

While I am opposed to the method we are following, I certainly cannot follow the hon. member for Winnipeg North Centre (Mr. Knowles) in the proposal he has put before the house. I agree with what the Prime Minister (Mr. St. Laurent) has said, that we should not do anything that would tend in a way to destroy or to injure the unity of this country.

What the bill proposes is to force divorce as a general law upon the province of Quebec, something which is anathema to the people of that province. I cannot see any wisdom, I cannot see any fairness or any fair play in saying to the people of Quebec, "You do not like divorce? Well, you will have it. We are giving it to you. We are now passing a law against what we know to be your wishes, whereby you will have divorce. You will all have it, and you will get it in a court". But the bill does not say merely that the exchequer court may grant some divorces; that it may pick and choose, as we do in the House of Commons and in the Senate. Here we let an individual come forward and we pass a law for her or, if it is a man, we pass a special law for him. What this bill says is that all who would may come to the exchequer court, and that it will grant divorce. "We will force it—that is what we will do; we will force it upon the people of Quebec". That is where I part company with the sponsor of this legislation. I do not believe in the method we are following. I think that ought to stop. I do not see any reason whatever for passing a special law for John Doe in the province of Quebec or in the province of Newfoundland. It he did not check about divorce laws before he went to live in Quebec, that is his lookout. If he wishes to live in a place where there is divorce, then let him move to that place and establish domicile. But I do not see that he ought to have any right to come here and have a special law passed for him.

But if anybody else agrees with that, then the only thing to do is to stop passing these laws, and not to say that in order to get away from passing these laws we are going to arrange it so that anyone who wishes and if the grounds exist may go to the courts and get a divorce—to the exchequer court if he lives in the province of Quebec. Surely that is not the way to cure my objection to the legislation.

The way to cure the objection I have is simply to stop. And I would point out to the hon. member for Cape Breton South that if he and two or three of his friends wished to do so, they could stop every one of these divorce bills going through the House of Commons. There is no doubt about that. After the experience the house had with the pipe line bills, everyone must agree that the C.C.F. party, for example, if it wished to stop every one of these divorce bills—unless, of course, the house were to change its rules—could do so. I am in that position myself, although I am opposed to it and do not see fit to follow that course because so many others are in disagreement with me. But if there are others who feel as strongly about it as the hon. member for Cape Breton South appears to feel, he and they have it pretty well in their own hands to stop these divorces.

While I do not expect there will ever be a majority who will hold my point of view, that we should simply stop, I do hope there will always be a very large majority who will say that they will not force upon Quebec this legislation which is, as I have said, anathema to the people of that province.

Mr. A. L. Smith (Calgary West): Mr. Speaker, in view of the fact that if the hon. member for Winnipeg North Centre (Mr. Knowles) were to speak now he would close the debate, I should like to say a word at this time.

I am opposed to the bill for the reasons given by the Prime Minister (Mr. St. Laurent), but certainly not for the illogical reasons just given by the hon. member for Winnipeg South Centre (Mr. Maybank). Every argument he advanced against the exchequer court's having jurisdiction could be applied with equal force in other ways. He said, in effect, in the words of the old hymn, "Whosoever will may come." That is the situation now, and giving jurisdiction to the exchequer court does not change that one iota. Anyone can come here just as easily as and perhaps more easily than he can go to the exchequer court.

I am opposed to the change for this reason: I believe the people of the province of Quebec are overwhelmingly against divorce as such, but they have expressed themselves by the majority of their members here as being content, to some extent in any event, with the procedure we now have. I am still one of those peacemakers who are really hopeful of unity in this country of which all of us are very proud. I say to the people who are advocating this change: let us get over this idea that there must be a law to cover everything on which we disagree. Laws are general things; they are big things. There are special acts; but why anyone now, to use the language of the street, would want to throw a monkey wrench into the machinery is beyond my understanding.

I have my own ideas with respect to these matters. I am one of those people who believe in divorce. I am not going to give my reasons, because we have all heard them so often. But, for the sake of Canadian unity, let us not deliberately stir up a nest of hornets, which we could easily do by passing this legislation and, in effect, say to the people of those two provinces, "We are doing this, knowing that the majority of your people are opposed to it." I would go that far if it were a matter of great principle of general application. That would not disturb me at all, if the people of one province took a course which, we will say, might be detrimental to the interests of the other provinces. But for the sake of that Canadian unity to which we all aspire let us not bring in something which may do it harm and which will not do one bit of good for those individuals who are seeking divorce. Therefore I am opposed to the bill as presented.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I want to make one comment only. I could not do other than follow the advice given tonight by the Prime Minister (Mr. St. Laurent) but at the same time I have great sympathy with the hon. member for Cape Breton South (Mr. Gillis) who has described the unpleasant incidents that occur owing to the publicity arising from these matters. I hope it will be possible for those who have jurisdiction and who understand the legal requirements to remove what I think is an undoubted evil in connection with these proceedings.

Mr. Smith (Calgary West): The *News of the World* built its circulation on reports of the proceedings in the divorce courts.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

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

Mr. Knowles: Mr. Speaker, I well recall a few years ago after there had been quite a few speeches by members of the house objecting to parliament having to deal with divorce, the Prime Minister (Mr. St. Laurent), who was then minister of justice, made the suggestion that those who were complaining about the present practice should suggest an alternative. As a matter of fact, he did outline a possible modification himself although he made it quite clear that he was not necessarily advocating it. It was because of the challenge given by the Prime Minister when he was minister of justice that I had this bill drafted. It was not drafted this year or last year, it was drafted several years ago. I kept it in my files for some years before placing it on the order paper. I placed it on the order paper with the sincere desire, for which some hon. members have given me credit, of dealing with this matter which is obnoxious to all of us in this parliament, no matter where we sit.

As the hon. member for Cape Breton South (Mr. Gillis) has said, hon. members on all sides of the house, privately as well as publicly, have complained because we have this practice here. I think it is true to say that hon. members generally wish that there was some other way to deal with this matter. I think I am justified in paraphrasing what the Prime Minister said when he was minister of justice by saying to those who are opposed to this bill, "All right, suggest some other alternative to the present practice. You do not like my bill, you do not like what we are doing; surely then there must be some other solution to the problem you can suggest."

When I introduced the bill I indicated that it was not the kind of bill that we in this corner usually introduce, that it was not a bill containing some basic and fundamental principle of social philosophy to which we were firmly attached and from which we would not budge. I indicated that it was merely an attempt to solve a problem of parliament and I said also that I would be quite happy if someone were to move an amendment that the bill be not now read a second time, but that the subject matter thereof be referred to a special committee of the house. I knew that if that course were followed it would mean the killing of my bill so far as this session was concerned but it would make possible a discussion in a committee of the subject matter, indeed of the whole problem of what should be done to relieve parliament of this obnoxious practice.

It may be that I did not get my suggestion about an amendment across to hon. members; at any rate it was not taken up. It is in my own mind at the moment that at the next session it might be worh while to introduce the bill again and make sure that such an amendment is moved. That again would have the effect of killing the bill for that session but it would make possible a discussion of the whole problem in a special committee of the house.

I am sure that my speaking in this fashion makes it crystal clear, although it did not need to be made clear, that my purpose is not to stir up any disunity, that my purpose is not to jam something down the throat of anyone in this country who does not want what he thinks is involved in this bill; my purpose is simply to solve a problem that faces parliament, the solution of which we have the right to seek.

Since some arguments have been put forward I feel I should answer them. I was interested in hearing the Prime Minister give us the terms of section 185 of the Quebec civil code. He suggested that if this bill were to pass it would be an attempt by parliament to override the provisions of that section. Every time we pass a divorce bill we do just that, and no effective opposition is put forth. I know hon. members make a fine distinction between each and every divorce bill as it comes along as being a special case as contrasted to a general act, but I submit that what happens in this parliament is that two hundred or three hundred times a year we override section 185 of the Quebec civil code when we dissolve a marriage, despite the fact that that section says that a marriage shall not be dissolved so far as Quebec persons are concerned except by the death of one of the parties.

The same argument has been put forward by the hon. member for Beauce (Mr. Poulin), by the hon. member for Portneuf (Mr. Gauthier) and by other hon. members who have spoken in this debate. They admit that this bill does not provide any facility for divorce not now available to the people of Quebec or Newfoundland, but they have pointed out publicly and they have pointed out privately to me—and I appreciate the manner in which these members have discussed this matter with me—that in their view there is a difference between providing for divorces in the exchequer court and having divorces granted by parliament. They point out that every divorce act is a special case, a sort of emergency. When we grant three hundred divorces a year, surely it is not a special case every time. Indeed, we are becoming a mill. We are more of a divorce court than the divorce court itself.

I suggest that to transfer the handling of these matters from the Senate and the House of Commons, where they are out of place and where neither the Senators nor we like them, to a court where they can be dealt with more properly is a sensible and intelligent course to follow. It would not make divorce easier; it would not change the basis for divorce. As a matter of fact, it might make the obtaining of a divorce a little more difficult. Some of the applicants to the exchequer court might not find it as easy to get a divorce there as they would by going through the routine before the Senate committee. Any who have taken the trouble to read some of the salacious documents you get from there know how routine the proposition is.

I felt that I should say something to make it clear that this bill in no way imposes upon the sensibilities or the feelings of the people of Quebec. The fact is that three hundred times a year we override the Quebec civil code, and I think the procedure outlined in the bill would be much more sensible.

In listening to the various arguments that have been put forward, I felt there was one advanced by the hon. member for Humber-St. George's (Mr. Kent) on May 26 which should be considered. He pointed out something of which I was aware and which I realize my bill does not fully take care of. He pointed out that the exchequer court can sit anywhere in Canada and as a matter of fact does sit in various parts of the country. He pointed out that it was a circuit court, and that there was nothing in the bill to prevent the exchequer court from actually sitting within the boundaries of the province of Quebec for the purpose of dealing with divorce cases. I recognize that could be offensive. I would say that if my proposal were carried out there should either be an understanding or, better still, it should be written into the bill that the exchequer court would sit only in Ottawa to deal with divorce cases from the two provinces concerned.

I feel that the other arguments advanced are matters of opinion. I think that some consideration should be given to the sensibilities of members of parliament. I do not think we should be asked to go on and on through the years pursuing a practice which is obnoxious to us. After all, if I may use the language that appears in the title of every divorce bill, the bill now before the house really is an act for the relief of parliament.

I do not intend to proceed further. I want to say quite clearly, in case there should be any thought that the bill has the effect of creating disunity, that it is not my purpose to force a recorded vote on the measure when I conclude what I have to say. If you hear more yeas than nays, Mr. Speaker, I shall be quite happy. If you hear too many nays and declare the motion lost that will be the end of the bill so far as this session is concerned, but I hope we will not go on forever following a practice which all of us find offensive, and which all of us feel is out of keeping with the purposes of parliament.

I say again that the purpose of the bill was certainly quite clear, that it was not to impose upon any group of people in Canada anything that is not now available to them. It is already there—shall I say, it is already here. In this building there is what amounts to a permanent divorce court for the people of the provinces of Quebec and Newfoundland. As the hon. member for Calgary West (Mr. Smith) said to the hon. member for Winnipeg South Centre (Mr. Maybank), everyone in those two provinces who wants to can come to this supreme court of divorce, this parliament building, and get a divorce. I think some day the practice should be changed. If perchance my accepting the challenge of the Prime Minister some years ago to those of us who did not like the practice to devise some means of getting around it leads to a challenge to others to find some better means than I have proposed, I shall be quite happy, but I hope we will not just go on year in and year out putting up with something that none of us like. Failing something better, I think that the house should support this measure for the relief of parliament from this business which should not be our business at all.

Motion (Mr. Knowles) negatived on division.

Mr. Speaker: There being no further business for the hour reserved for private and public bills, the house will resume the business which was interrupted at six o'clock.

SUPPLY

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

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

215. Departmental administration, $859,720.

Mr. Fair: Before the discussion gets too far away from what we were talking about this afternoon, I should like to add my plea to those made by the hon. member for Lanark, the hon. member for Rosetown-Biggar, the hon. member for Peace River and several others that something should be done for incurables. Many of us, myself included, have enjoyed excellent health all our lives. I think the plight of the incurables was never brought home to us as forcibly as when their delegation came here a few weeks ago. Many of us did not realize the helplessness of these people and the financial straits through which

many of them are passing. The Minister of Trade and Commerce told us that we can expect a national production in 1950 of something like $16,300 million. Therefore I feel that it is quite possible to pay a pension comparable to that received by the old age pensioners to our incurables. I hope that no time will be lost in seeing that something along that line is done.

I was glad to hear the minister state that a survey of incurables in Canada has already been undertaken. Only a week or ten days ago I asked for information in that respect, and I am happy to see that the minister is making a start in that direction. Therefore I hope, together with the minister, that in the not too distant future the incurables of Canada will receive some assistance worthy of Canada's productive capacity.

Mr. Blair: When the house rose at six o'clock we were considering the first item and the minister had made some reply. There were some things in the minister's reply to the speeches made this afternoon to which I take marked exception. During the last session of the house I pointed out that, so far as hospitals in the Dominion of Canada and especially in the province of Ontario were concerned, grants had been given by the province of Ontario—I am not acquainted with the situation in the other provinces—two years before health grants were instituted in this house. When the minister said that we expected so many thousand beds at a certain time owing to these health grants, and that we had achieved so many, I want to call his attention to the fact that a grant of $1,000 per bed is not a solution to the problem of building hospitals even in the province of Ontario where another $1,000 is added to the federal contribution for beds for new cases.

I have in mind a town with which I am well acquainted. It is struggling with the problem of trying to build a hospital at the present time. Let us suppose that the cost of a hospital is approximately $9,000 per bed. Even with the combined grant made by the province of Ontario and the Dominion of Canada that would still leave an amount of $7,000 per bed to be provided by the municipality concerned. It is not so many years ago that the cost of hospital construction was approximately $5,000 per bed. We did not get hospital beds in those days, and I do not think the minister or his department can take all the credit for the fact that we are getting hospital beds now when the cost is really $7,000 or $7,500. In the municipality to which I refer they are raising money by public subscription, and they have had a great deal of difficulty in collecting sufficient money to build a hospital. Across the whole country the need for hospitalization has become a matter of some urgency. I said this afternoon that it was difficult to obtain help in the home. Trained nurses are not available, so in view of those circumstances we do need hospital beds. While this grant is praiseworthy, and any grant for a purpose like that is praiseworthy, I again call the minister's attention to the fact that the responsibility for the whole scheme of hospitalization in Canada does not rest on his shoulders. The building of hospital beds is not due to the fact that, almost two years ago, this government brought in a program in connection with it.

So far as the health grants are concerned I well recall when they were introduced in May of 1948 by the prime minister. I think every member of this house was glad to see those grants introduced. I never voted for anything with quite as good spirit as I voted for those grants. Ever since that time, when a grant has been made it has been the cause of a rush of publicity. I was amazed last winter when I read in the newspapers that a grant of $1,000 had been made to Kingston penitentiary for the purchase of a machine for the purpose of taking encephalograms. I thought that was taking the thing pretty far. While these matters of health grants and health insurance may be tied together somewhat, we must go back into history so far as health insurance is concerned. I want to point out to the minister that when the former prime minister took charge of the Liberal party in 1919 he promised health insurance at that time. It took thirty years to implement any promise that was made at that time. Nothing was done until these health grants were introduced.

I hope that in the future these health grants will not be used as a means of publicity. I point out that last year the province of Ontario gave $10 million for hospitalization and came forward with another grant a short time ago. The provinces are doing their share. They have always done their job. This work was carried out long before the present Minister of National Health and Welfare took office. So far as travelling expenses are concerned, that is probably another argument for items of this type being brought before the public accounts committee. Certainly when we are faced with this amazing bill for travelling expenses, I think it is the duty of the opposition to examine those travelling accounts. It may be that the $30,000 additional that was required by way of travelling expenses in order to take care of sick Indians and Eskimos—

Mr. Martin: It was $80,000.

Mr. Blair: There is not one member in the house who will raise an objection to that $80,000. But even making an allowance for

that, there is an additional $70,000 to be accounted for. I think we should pay particular attention to this, in view of the fact that these accounts have not been examined before. As I said this afternoon there is not one member in this house who will object to money that is actually spent for treatment. I say to the minister that if he gives an account of every special item of travelling expense, breaking it down and giving us the details of those accounts, and we find that they are accounts which should have been incurred, well and good. It is the duty of the opposition, however, to make sure that the department is administered in an economical way.

Mr. Thatcher: I should like to say a word on one matter mentioned by the member for Lanark, and that is the federal grant for hospital construction.

Mr. Martin: Would my hon. friend mind raising that under the hospital construction grant?

Mr. Thatcher: I was going to wait, but since it has been raised—

Mr. Martin: That was just in general discussion.

Mr. Fleming: There is some information that is required on this item. I should like to ask the minister if the cost of printing the annual report of his department is charged to the department?

Mr. Martin: Yes.

Mr. Fleming: Under this item?

Mr. Martin: Under printing and stationery.

Mr. Fleming: Is it not under this item, departmental administration?

Mr. Martin: Yes, under this item, but under printing and stationery.

Mr. Fleming: It seemed to me that when the hon. member for Kamloops this afternoon was citing some passages from this report, the minister took exception to the accuracy of some of the statements contained in the annual report. The member for Kamloops was reading from the annual report for the fiscal year ending March 31, 1949. In view of the way the minister took issue with the member for Kamloops, I should like to ascertain whether or not the statements are correct. If they are not correct, I should like to know how it happened that the money of the taxpayers is being expended to print a report that is not accurate.

The passage about which the minister became rather upset is found on page 133 and reads as follows:

> An increased amount of radio time was secured and new ways were found of telling the department's story on the air. Hon. Paul Martin broadcast frequently, going on the air over national and international hook-ups as well as regularly on a local station. The minister was featured on a Radio Farm Forum program with a wide listening audience.
>
> Local radio talks under the title "Report from Parliament Hill," in which the minister explained all the department's services, were mimeographed and bound, and these informal reports provide excellent reference material.

Is that paragraph from the report correct?

Mr. Martin: The objection I raised was to the suggestion by implication, and I see the statement does not say what I thought it did, that the radio time had been purchased by the department. It is that to which I was objecting, because of course it was not. I used the parliament hill report quite frequently to make speeches of a non-political character. I referred to what we were doing in this department, but the department certainly does not pay for that radio time.

Mr. Fleming: I gather that the statement is correct. Of course all members of parliament are assigned certain free time on private radio stations for the purpose of the report from parliament hill, but did the minister, as is stated here, broadcast frequently, going on the air over national and international hook-ups as well as regularly on a local station; is that correct?

Mr. Martin: I do not recall ever having made a national broadcast, except on the free political time, in which I may have discussed departmental matters or government policy. But I certainly do not recall ever making a broadcast over an international hook-up. It is true I did take part, with my hon. friend and the member for Winnipeg North Centre, in the farm forum. My hon. friend was one of the participants in that debate, as I recall, as was the member for Winnipeg North Centre, and he knows the department did not pay for his time nor for the time of the member for Winnipeg North Centre, nor for my time. All three of them were not bad speeches.

Mr. Fleming: It sounds to me as though this report is not correct. It is grossly exaggerated, to say the least, and I think ought to be examined more carefully the next time an annual report is written.

The other question I have on this aspect, Mr. Chairman, is that reference is made in this paragraph to the fact that the minister's speeches were mimeographed and bound. Now, there must have been some expense in connection with that. Those things are not done for nothing.

Mr. Martin: They were just stitched, they were not bound.

Mr. Graydon: A stitch in time saves nine.

Mr. Fleming: The minister is not going to say that does not cost anything.

Mr. Martin: Obviously the reports of a minister of a department should be kept in an orderly way. There were clips put in it by Bostitch machine. Does my hon. friend object to that? I would be very glad to do the same thing for him.

Mr. Fleming: The minister is very kind. What I object to is his statement to the effect that what is referred to here did not cost anything. Obviously there must have been some expenditure in connection with mimeographing and binding the copies, and there is no sense in trying to disguise that fact.

I think the minister ought to say something on this next subject, because the point was raised in the house on May 16. I do not know whether the minister was present at the time, but I was surprised that no reply came from him. I should like to know the explanation as to the reprinting, referred to on that occasion, at page 2535 of *Hansard*, of the minister's speech in this house on March 10 on the appointment of a joint committee of both houses on old age security. As was pointed out on that occasion, a great many copies of that speech were printed, but not as the speeches of members of parliament are printed by the king's printer. It is true that they were printed by the king's printer, but not as ours are printed; and they were backed in a way that the speeches of members of this house are not backed when they purchase reprints. I believe the minister should take the committee into his confidence in reference to that matter, to which he made no reply when it was raised by the hon. member for Vancouver East.

Mr Martin: We were receiving demands from all over the country for copies of that speech. Chambers of commerce asked for a thousand copies, I think. Since then they have asked for more, but we have none to give them. Manufacturers' associations, one of the congresses, the province of Manitoba, the province of New Brunswick, all asked for copies of that speech. My hon. friend will remember that it was an objective statement in respect to a very important matter. Does my hon. friend suggest that I should have borne that expense myself? By the way, no distribution was made in my own constituency.

Mr. Fleming: I should like to know the cost of distributing the minister's speech, and how many copies were printed at the public expense.

Mr. Martin: I do not know, but I will find out.

[Mr. Graydon.]

Mr. Macdonnell (Greenwood): Was it not good enough to send to your own riding?

Mr. Martin: I did not send it. It was good enough, though.

Mr. Fleming: I trust the minister will get that information before he asks the committee to pass this item.

Mr. Richard (Ottawa East): It is very important.

Mr. Fleming: It is important. Other members of the house do not have their speeches circulated at the public expense; and this speech was delivered in the house. The minister calls it an objective speech, but it did not sound very objective in some of its passages to some of us on this side of the house.

Mr. Richard (Ottawa East): Who is the best judge of that?

Mr. Fleming: Well, apparently it comes to this; that when you are head of a department and have money available for publicity, you are the judge and you can use public money to disseminate your own speeches. But if you do not happen to be the head of a department you have not that privilege.

Mr. Richard (Ottawa East): You do not speak with any authority either.

Mr. Fleming: I am speaking of the disclosures that have been made, in which my hon. friend apparently is not interested.

Mr. Richard (Ottawa East): I know more about it than you do.

Mr. Fleming: I gather that it is perfectly satisfactory to my hon. friend to have ministers of the crown making speeches in the house and not having to pay for reprints of those speeches, as other members of the house must, but having them printed by their own decision at the public expense. If that is his idea of a proper use of the funds of the taxpayers, all right; we will let him be judged by his own standards. For my part, I think that in all matters concerning the reprinting of speeches made in the house, all hon. members should be on an equal footing. The moneys of the people of this country ought not to be used to reprint and circulate, apparently in considerable numbers, speeches made from one side of the house.

Mr. Murray (Cariboo): Public health.

Mr. Fleming: Public health nothing. It was a speech on the subject of whether the house should join with the Senate in the appointment of a committee on old age security. What has that to do with public

health? Other speeches were made in different parts of the house on that occasion. How do you draw the line? The minister draws the line because he has money available for publicity. So you arrive at the point about which the hon. member for Kamloops was speaking this afternoon. What is the publicity for? Is it to publicize the minister and advance his political career?

Some hon. Members: Oh, oh.

Mr. Fleming: Anyone who has any comment to make will have the opportunity to do so. To anyone gifted with a sense of fair play I think it is quite apparent that it should not rest in the hands of one man, simply because he happens to be the head of a department, to decide that his speech is so much more important than any of the other speeches made in the house on a particular occasion, and that therefore it should be reprinted and circulated at the expense of the taxpayers. If any other hon. member who took part in the same debate wished to have his speech reprinted, he jolly well paid the full cost. If that sort of thing commends itself to the sense of fair play of hon. members, I am sorry.

Mr. Hetland: If the people want his speech, who should pay for it?

Mr. Fleming: The people who want it; not the taxpayers.

Mr. Hetland: They all wanted it.

Mr. Fleming: Isn't that wonderful! We have from the hon. member opposite the statement, no doubt made with profound authority, that all the people of Canada wanted copies of the minister's speech. Surely that must have been an extraordinary speech.

Has the minister the information I asked for on this point, before I go on to something else?

Mr. Martin: Not yet.

Mr. Fleming: Then I shall go on to the next point. I am referring now to the details which are to be found at page 175, and I should like a little information, if the minister will be good enough to supply it, in respect to three items toward the bottom of the page. Those items are travelling expenses, educational and informational publicity, and sundries. As to travelling expenses, will the minister first give the actual expenditures last year, and what travelling it is estimated will be required in comparison during the present fiscal year.

Mr. Martin: Including the overseas travel of our immigration doctors and so on, it amounts to roughly $679,000.

Mr. Fleming: The minister has not been following me; he must have been reading another of his speeches. I was referring to page 175—

Mr. Martin: You mean under departmental administration?

Mr. Fleming: I am referring to the details of this item toward the bottom of page 175. I drew the minister's attention to three items: travelling expenses, educational and informational publicity, and sundries. For travelling expenses the sum of $25,000 is provided this year, and I asked the minister for the actual expenditures during the fiscal year ending March 31, 1950. In the second place I asked what travelling is contemplated this year in comparison with that of the previous fiscal year.

Mr. Martin: Under the administration, sundries amounted to $5,300—

Mr. Fleming: I am asking about travelling expenses.

Mr. Martin: You have asked about three items, sundries, education and travelling. The figures are: travelling, $18,900; education, $116,400; sundries, $5,300.

Mr. Fleming: Will the minister kindly try to follow me on this. I am asking with regard to the amount of $25,000 which is about the seventh item from the bottom of page 175. On that item and in relation to the item alongside it, $30,750, the estimate for last year, I asked first what was—

Mr. Martin: What page?

Mr. Fleming: Page 175.

Mr. Martin: Don't get cross.

Mr. Fleming: I am just trying to make the minister hear me. This is the fourth time I have given him the reference.

Mr. Martin: That is departmental administration.

Mr. Fleming: Page 175 of the details, about the seventh item from the bottom of the page. I am asking with reference to the item—

Mr. Martin: Our estimate this year is $25,000. Our expenditure last year was $18,900.

Mr. Fleming: Your expenditure last year was $18,900. What is it that requires an increase of $7,000 this year for travel as compared with $18,000 last year? What is going to occasion that increase?

Mr. Martin: Last year when that estimate was made it was partly with regard to travel by senior officers in connection with the health branch, and was for nine provinces.

We expect that Newfoundland will raise the expenditure. It is an estimate. I believe it will be an accurate one, but it can be no more than an estimate.

Mr. Fleming: The minister talks about the estimate of last year. The estimate was $30,000 and more, but the actual expenditure was $18,000. The only thing we have heard from the minister to justify an increase of $7,000 in the expenditure last year of $18,000 for travelling expenses is that we have another province to deal with. Well, Mr. Chairman, we had ten provinces all of last fiscal year and there was considerable travelling done down there prior to the opening of the fiscal year 1949-50 and in the early months of it in making preparation for the extension of the services of this department to the new province. For the life of me I cannot follow the minister's argument. Has he a better argument than that to justify the increase of $7,000 over the expenditure of $18,000 on this one item of travelling expenses?

Mr. Martin: I have given my hon. friend the only answer I can give him. I cannot estimate accurately.

Mr. Fleming: Hear, hear.

The Chairman: Shall the item carry?

Mr. Fraser: I wish to ask the minister a question. I had a return tabled in my name on June 7, which had to do with travelling expenses. The question was:

> What was the total travelling expense for all employees of the Department of National Health and Welfare in the year 1949?

The answer was: "$385,958.84". There must be something wrong.

Mr. Martin: That was only for employees of the department. That did not include the expenses of carrying sick Indians, sick mariners, et cetera. We have part-time doctors all over the country who are not employees of the government. The figure I gave my hon. friend was the figure for the actual employees of the department.

Mr. Fraser: These are actual employees.

Mr. Martin: That is correct. I just answered the question that I was asked.

Mr. McLure: I just want to say that it was a great pleasure to be here this afternoon to listen to the wonderful speeches that were made on health. I know that after listening to them my health improved a little. I had not been feeling so well on account of the Minister of Public Works. Now that the Minister of National Health and Welfare has come along I am feeling somewhat better.

However, in all the discussion I was disappointed. There was one matter that I had waited patiently to hear the minister say something about, and he knows what I have in mind. Away back in 1945 I brought the matter to his attention and to the attention of the house. I refer to incapacitated people. These are different from the incurables he has spoken about and all the other diseases that have been mentioned.

No action was taken on it that session. In the following session I brought the matter up again, and several hon. members spoke very strongly on it. If the minister turns up his correspondence he will find that several letters were exchanged between us and he gave me to understand that these incapacitated people would be taken care of. Since that time we have had considerable correspondence. On several occasions he has intimated by letter that the matter was being taken up with the health minister in each of the provinces, and that a policy with reference to these incapacitated people would be in progress quite soon. I should like to know from the minister tonight just what they are doing for this most unfortunate class of people that we have in our midst.

Mr. Martin: As my hon. friend will recall, when I wrote to him, or if I did not write to him I told him that I had written, as he says, to all the provinces. All of the provinces to which I wrote but one took the position that under the circumstances it was not desirable to meet for that particular purpose. Perhaps my hon. friend was not in the house this afternoon when I explained the circumstances in connection with the rehabilitation conference which, at the request of three provinces, was postponed in view of the Manitoba flood situation.

Mr. Blair: Will the minister give us a breakdown of the $25,000 travelling expenses item?

Mr. Martin: I shall be glad to. This amount will be required to meet the expenses of the minister and senior officers of the department, and of a parliamentary assistant, if there is one, and of a senior personnel division staff in connection with necessary travelling to field establishments and in respect of examination boards held outside Ottawa; of senior research division staff in connection with field survey studies, and investigations into medical care and other projects being carried on in various places; of senior legal division staff in connection with narcotic and food and drug prosecutions; of a senior member of the purchasing and supply division in necessary visits to Indian health service establishments; and of

senior staff of the information services division in manning exhibits at conventions, in connection with liaison trips across the country to confer with provincial health educators, radio station executives, newspaper and magazine publishers and the like; all in connection with matters having to do with education in the field of health and welfare, of course.

Mr. Fleming: Has the minister the information now on the cost of reprinting his speech of March 10?

Mr. Martin: Yes; the approximate cost was around $500. I may say that the account is not complete. I think one of the provincial governments paid or has offered to pay something on it. We could not yet give full particulars, but it already has cost around $500.

Mr. Fleming: That will be the net cost?

Mr. Martin: That is the amount that has been paid.

Mr. Fleming: That will be charged to this item?

Mr. Martin: Yes.

Mr. Fleming: Does the minister know how many copies were printed?

Mr. Martin: Around 12,000 or 14,000—I am not sure of the exact figure.

Mr. Knowles: They soaked you. I had 12,000 copies of mine printed for $96.

Mr. Martin: Yes, but yours was not as good a speech.

Mr. Knowles: It was a lot better.

Mr. Fleming: If you will both be frank, you might say that it was the taxpayer who was being soaked.

I have asked the minister certain questions about one item of details on page 175. I now come to the next one, educational and informational publicity. I ask the minister a similar question: what was the actual expenditure on this item for the fiscal year ended March 31, 1950, and how do the services to be covered by the present estimate for the year 1950-51 compare with the services actually rendered and paid for in the last fiscal year?

Mr. Martin: The expenditure for last year was $116,000. There were publications at $80,000, including $50,000 for *Canada's Health and Welfare* which was so generously praised today by the hon. member for Rosetown-Biggar. There is the revision of the Canadian welfare council publications, $10,000; reprints of existing publications, including ones on arthritis, tuberculosis, nursing, old age pensions, social work and the like. There is a series of fifty-two recorded programs by persons outside the department, non-political individuals, not including the minister or the parliamentary assistant. Then there are displays and press services which consist of photographs and map services dealing with health suggestions which appear particularly in our weekly newspapers and which, as my hon. friend knows from what was said last session, were well received. In fact, we cannot meet the demand.

Then there are columns in certain weekly newspapers, both French and English, dealing with certain phases of health. There is a film on nurse recruitment, $20,000; newsclips at $3,000; a film library, $3,000; the revision of certain Canadian welfare council publications, and the re-issue of certain existing publications such as the one on cancer, and another one, "Prophylaxie des maladies contagieuses". Then there are displays, $7,000, on such subjects as pure food and safe drugs. There is a reprint of the publication *Canadian Mother and Child,* at $34,500. There is the reprint of a publication dealing with rural waters.

Mr. Fleming: But what are the ones which represent what is new as compared with last year? The item is $15,000 in excess of last year's expenditure. What is that for?

Mr. Martin: There is $6,000 more that has to do with the re-issue of existing publications. These are the standard publications of the department and are in great demand from provincial officials and others who, in the main, are the distributing agencies.

Mr. Fleming: Then we come to the item of sundries. What were the expenditures on sundries last year?

Mr. Martin: The amount is $5,300.

Mr. Fleming: The minister is this year asking for $6,000. Of what is it made up, and what is the reason for the increase?

Mr. Martin: Of course, as my hon. friend knows, when we make up our estimates we do not know what our year-end expenditures will be. This is an estimate of what it is thought we will spend in the ensuing year, in the light of increasing obligations. The sundries required in this instance are required to purchase subscriptions to serial and technical publications, and the like. Then there is the matter of garage space for some departmental vehicles.

Item agreed to.

National health branch—

217. Food and drugs, $704,450.

Mr. Fraser: Mr. Sellar mentions this in his report, and points out that it is for administration. Should not the item be changed in the estimate?

Mr. Martin: My hon. friend is right. It is for the administration of the Food and Drugs Act.

Mr. Fraser: It is misleading in the estimates.

Mr. Martin: I quite agree with my hon. friend.

Mr. Fleming: I would draw the minister's attention to the details at page 177, and particularly the item educational and informational publicity. How much was spent on this last year?

Mr. Martin: The sum of $33,385.

Mr. Fleming: Then I notice an item of $12,720 for sundries. How was the item spent last year? What was the amount?

Mr. Martin: It was $12,504.95.

Mr. Fleming: What was spent on travelling expenses?

Mr. Martin: The sum of $33,837.65.

Mr. Fleming: This year the minister is asking for $50,600. On what grounds does he justify the increase of about $16,000?

Mr. Martin: Several of the vacant positions were not filled until late in the fiscal year, and the provision made for those positions was not required.

Mr. Fleming: This is for travelling expenses, not salaries.

Mr. Martin: New inspectorates which were created in the field were filled only after October 1, 1949.

Mr. Fleming: I do not understand. What has the filling of vacancies to do with travelling expenses?

Mr. Martin: We did not spend the amount originally estimated to cover the travel cost of those additional inspectors for that reason.

Mr. Fleming: Because there are four more inspectors this year the minister justifies an increase of about $17,000. Does that mean that these men are going to spend over $4,000 each this year for travelling expenses?

Mr. Martin: We have thirteen new inspectors now. We intend to do all we can to accelerate the work of inspection in the food and drug administration—and I believe my hon. friend would be the first to applaud that.

Mr. Fleming: Is there any possibility of decentralization, with a view to saving money?

[Mr. Martin.]

Mr. Martin: We have five regional offices, and we do maintain a policy of decentralization.

Item agreed to.

National health branch—

219. Opium and narcotic drugs, $138,295.

Mr. Murray (Cariboo): Would the minister outline some of the anti-narcotic work carried on by his department, which is so very valuable to the country and particularly to the Pacific coast?

Mr. Martin: This division is one of the oldest in the department, in fact it was one of those that were set up under the original department of pensions and soldiers civil re-establishment. It is not only a problem that concentrates in British Columbia, although the natural propinquity of that province to one of the sources of supply does lend itself, in imagination and in reality in part, to the view that the traffic as well as the policing is particularly active in that part of the country. I may say that it is active all over the country.

We have as head of the division a former mounted police officer who is assisted by some others who have had similar experience. In conjunction with the personnel of the department, the doctors and technical men, they carry out the policy, but the actual enforcement and detection is assisted by the very able work of the Royal Canadian Mounted Police. My hon. friend knows that prosecutions take place fairly frequently and indicate the firm desirability of making enforcement effective. From the observations and commendations that have been made by the opium committee of the United Nations I think I can say that the enforcement of this particular division is one that comes up to the expectations of those who were signatories to the opium agreement of the United Nations.

I want to take this opportunity to thank the attorneys general of the various provinces for the co-operation of their legal departments in the enforcement of this matter.

Item agreed to.

Health services—

220. Quarantine and leprosy, $290,618.

Mr. Pearkes: How many lepers are there at Bentinck island and Tracadie?

Mr. Martin: Seven.

Mr. Pearkes: Between the two?

Mr. Martin: There are two at Bentinck island.

Mr. Pearkes: And seven at Tracadie?

Mr. Martin: Yes.

Mr. Pearkes: That is a decrease of two, is it not?

Mr. Martin: I hope there will be more of a decrease.

Mr. Pearkes: It is expected that a little increase will bring about a decrease in the number.

Mr. Martin: My hon. friend raised the question last year about having a quarantine station at both ends of the country, but we believe that public health demands that that be done.

Item agreed to.

Health services—

222. Immigration medical inspection, $899,228.

Mr. Bater: Does this medical inspection take place after the immigrant arrives in this country or in the country of origin?

Mr. Martin: The medical examination takes place in the country of origin and at the port of entry. I may say that the policy which was announced last year of having X-rays produced by the proposed immigrant in the country of origin is a policy which we feel has been justified.

Mr. Fleming: According to the figures tabled by the minister this afternoon a total of $819,517 was spent under this item last year, so this vote would represent an increase of $80,000 over last year's requirements. Will the minister indicate just why that is required, particularly in the light of the fact that immigration into the country is being reduced rather than augmented and also that the work of the international refugee organization is about to end?

Mr. Martin: I would have hoped that my learned friend would have been as vigorous in his praise of this reduction as he has been sometimes—

Mr. Fleming: It is an increase of $80,000.

Mr. Martin: I wish my hon. friend would have been as generous—he is pretty generous, allowing for any limitations that attend his fine personality—but the fact is that it is difficult to estimate the number of immigrants that are going to be examined in any one area by these officers. The explanation of the balances are, first of all, that an appropriate adjustment has been made in the living allowances to medical officers serving overseas following the devaluation of the pound and other foreign currencies on October 1, 1949. This had the effect of reducing the amount of funds needed by approximately one-third. The travelling expenses of moving medical officers on the continent of Europe was considerably less than anticipated as the medical stations became more stabilized. There was also less travelling in connection with the seasonal inspection of immigrants at Canadian ports, and the same applies to the item covering printing and materials and supplies and the acquisition of equipment.

Mr. Fleming: In effect the minister is asking the committee to provide him under this item with ten per cent more than was found to be necessary last year. Let us be fair to the minister. These estimates were prepared toward the end of the calendar year 1949 and it may be that the abatement in the flow of immigration to this country that is to be seen today was not as apparent at that time. But does the minister not think that, in the light of the statement made within the past week by the Minister of Citizenship and Immigration and in the light of this reduction in the flow of immigrants to this country, he will not need $80,000 more than he actually spent last year?

Mr. Martin: I have not any comment to make.

Mr. Fleming: I think the minister ought to have a comment to make.

Mr. Martin: I just do not believe that my hon. friend is asking me to comment on policy. The minister of immigration has stated the situation and we will be governed accordingly. If he asks us to examine immigrants, we will certainly do it.

Mr. Fleming: The minister has not seized the point I am raising and I will do my best to deserve his attention. I was asking the minister whether in the light of the statement made by his colleague and in the light of the figures now available, which may not have been available when the estimates were prepared, showing a reduction in immigration, he thinks that he will require $80,000 more this year under this item than was actually expended last year?

Mr. Martin: My hon. friend knows that we have the Rockhead hospital on the Atlantic coast, which involves a considerable expenditure. Two years ago we found ourselves in a difficult position because of an underestimate. If this money ought not to be spent, my hon. friend may rest assured that it will not be spent.

Mr. Fleming: It is quite obvious that the minister is making sure that he is not going to be caught short in connection with any of these items. Unless there is a big upsurge in the immigration into this country this

year I cannot for the life of me see how the minister is going to need $80,000 more than he needed last year.

According to the details on page 180 the amount voted last year for sundries was $18,560. May I ask how much was spent?

Mr. Martin: $17,860.

Mr. Fleming: Why does the minister require $8,000 more this year than was spent last year?

Mr. Martin: Those are sundry expenses in connection with the Rockhead hospital.

Mr. Fleming: Is the difference all in connection with Rockhead?

Mr. Martin: Yes, all the extras.

Item agreed to.

Health services—

224. Public health engineering, $147,410.

Mr. Blair: What were the travelling expenses under this item?

Mr. Martin: $4,800.

Mr. Blair: That is not the figure I have. I have public health engineering, $29,000.

Mr. Martin: I am sorry.

Mr. Blair: I want to know the amount of the expenditure and the details.

Mr. Martin: I am sorry, $19,848.

Mr. Blair: You are asking for $29,000.

Mr. Martin: Yes. We expected to spend $39,000 last year and the reason we did not was that most of the officials of the public health engineering division were engaged with the international joint commission. They were engaged with it for practically the whole time, and of course their expenses were paid by the commission.

Mr. Fleming: I take it to be under this item that expenditures were incurred for travelling such as are referred to on pages 135 and 136 of the annual report of the department. Reference is made there to exhibits conducted by the department at home and abroad publicizing Canada's progress in the health and welfare fields. We see that there was an exhibit held at Atlantic City, for instance, in September, 1948. I am drawing attention to those held outside Canada.

Mr. Martin: That was at the American public health association meeting.

Mr. Fleming: Another at Boston in November, another at Milwaukee, Wisconsin, in January, 1949.

Mr. Martin: That was at the U.A.W.-C.I.O. convention.

[Mr. Fleming.]

Mr. Fleming: The statement follows that officers of this division were on duty whenever and wherever the department set up such exhibits in Canada or in the United States. I should like to ask the minister if it is necessary to send officers of the department abroad to Atlantic City, for instance. No doubt it is very pleasant there in September. Is it necessary to send them to Boston or Milwaukee, Wisconsin, with these exhibits? It is one thing to send an exhibit. How many officers accompany these exhibits and what is their status?

Mr. Martin: It is not necessary but I think it is desirable. The American public health association and we ourselves have a co-operative arrangement whereby we exchange information in the fields of health and welfare. Perhaps my hon. friend has seen the joint effort made by the United States public health service and ourselves in connection with the cancer film and several publications. It is a reciprocal arrangement which the technical officers of the department believe to be of mutual advantage. At the last dominion-provincial meeting on health education a resolution was passed urging that we expand this service to cover certain regions in the western part of the United States to meet an arrangement that was made by the United States public health service in the western section of Canada.

Mr. Graydon: Mr. Chairman, I was interested in the minister's answer to a question asked about public health engineering. He said that some of the public health engineers had been seconded, shall I say, to the international joint commission.

Mr. Martin: In connection with the pollution of waters.

Mr. Graydon: Having in mind that a part of the discussion this evening has centred around radio broadcasting by the minister in certain areas, I should like to point out that in the estimates for the international joint commission under the Department of External Affairs there is a vote for the commission, to which these engineers were attached, reading:

To provide for Canada's share of an investigation on the matter of air pollution in the vicinity of Detroit and Windsor.

I do not know whether that has any relation, but I thought it should go on the record.

Mr. Martin: I think my hon. friend will realize that the region of Detroit and Windsor is one of the most important locations on the great lakes. I am sure that my hon. friend who resides in Brampton, and who lives near a small pool, will not be jealous of my interest in the five lakes.

Mr. Graydon: I do not want any air pollution in Windsor.

Item agreed to.

National health branch—
225. Treatment of sick mariners, $676,771.

Mr. Fleming: Will the minister give us the revenue offsetting this item and the comparison with the previous year?

Mr. Martin: The revenue is $238,797.46 and the expenditure is $581,156.39.

Mr. Fleming: Have you the comparison with the previous year?

Mr. Martin: In the previous year the revenue was $226,638 and the expenditure was $474,291.60.

Item agreed to.

National health branch—
226. Industrial health, $139,915.

Mr. Gillis: Will the minister tell us what this branch of his department does? Does it carry on research in industrial diseases to supplement the work of the provincial governments in that field?

Mr. Martin: One would expect my hon. friend to ask that very important question. The functions of this division are to try to bring about a co-ordination of efforts in the industrial health field both federal and provincial, particularly in connection with coal mines, factories, and the like. We seek to carry out educational and investigational work in conjunction with the provinces in matters relative to the maintenance and improvement of the health of Canada's working population. We provide technical services by the industrial health laboratory in relation to the above. We also have a consulting service that makes contributions not only directly to provincial governments in this field but also to private industries. In other words, we seek on our level to bring about co-ordination of those activities which the industrial divisions of the departments of health in the provinces seek to carry out to improve the working conditions of men and women in our large urban centres, coal mines and the like.

Item agreed to.

National health branch—
228. Nutrition, $132,275.

Mr. Knowles: As the hon. member for Peace River, the hon. member for Glengarry and one or two others pointed out this afternoon, this is a rather important subject. I hope that the fact that there is a slight reduction in the amount does not mean that the work of the department in the field of nutrition is being handicapped in any way. Perhaps the minister would explain the reduction.

Mr. Martin: My hon. friend is quite right. The decrease in the vote does not mean a decreasing interest. The decrease is due to the fact that we intend to spend less money this year on educational information in that particular division.

Mr. Knowles: Why?

Mr. Martin: Because the director has not thought it capable of carrying out as many educational projects this year. We are engaged now in a whole series of surveys requiring the use of our full personnel. Dr. Pett, the nutritionist, and an eminent man in that field, feels that this amount represents the best plans he can muster for this year. I may say we collaborate closely with the Department of Agriculture and the Canadian council on nutrition in connection with the plans we have in mind this year.

Mr. Fleming: I do not think anybody needs to be alarmed about the reduction. If you compare this year's estimate with last year's expenditure you will see the reduction is less than $2,800. It is not nearly as large as it appears in the blue book of estimates.

Item agreed to.

Health services—
230. Health insurance studies, $68,241.

Mr. Knowles: Mr. Chairman, as I indicated earlier it is not my intention to repeat the speech I made on the first item, but I should like to say enough to get the minister to say something about this whole question of health insurance studies. As the minister knows, I have been asking questions about this item for a good many years. I hope that the questions I have been asking have been helpful, and that they have prodded the department into trying to do a little more in this field. I have yet to be convinced, if I may put it that way, that the department is doing all it should do in what this heading implies, namely, actually studying health insurance for Canada. I wonder whether the name of this vote should not be changed to make it clear that it is being used mainly for the administration of the health grants, which is a later item in the estimates.

As I indicated this afternoon I put some questions on the order paper this year concerning this matter of health insurance studies. One set of questions was answered on March 16, 1950. I gave the information this afternoon as to the failure of the department to spend all of the money voted for that

purpose, but in addition to that I asked the following questions appearing on page 827 of *Hansard* of March 16, 1950:

How much of the time of the persons indicated in the answer to question 3 has been spent on health insurance studies, and what other tasks have these persons performed?

To paraphrase the answer briefly, I was told that no apportionment of the work of the people paid under this vote could be made accurately; that these people were engaged both in health insurance studies and in the administration of the health grants. That information was given on page 832 of *Hansard* for March 16, 1950, as well as a statement by the former prime minister, Mr. Mackenzie King, to the effect that work on health grants should be considered as work preparatory to health insurance.

Another question which I asked on that occasion was this:

Is there available any report summarizing the results of health insurance studies made under the items noted above?

"The items noted above" were the votes for health insurance studies spread over a period of four or five years. The answer referred me to the annual reports of the department for various years, and at various pages. I noted particularly a reference to the last annual report for the year ending March 31, 1949, pages 77 to 88. I had looked at this report before and missed that reference, but I was encouraged to look again because pages 77 to 88 inclusive meant a total of 12 pages in which I could read about the work done under health insurance studies. I went back to the annual report for the year ending March 31, 1949, and turned to pages 77 to 88. The main heading on that page in large twenty-four or thirty point type is "Health insurance studies". But when I read the twelve pages I found that the only reference to health insurance studies is set out at the bottom of page 78. I almost missed it but by reading closely I found it. It reads as follows:

Considerable expansion of the health insurance studies directorate occurred following announcement of the national health program. Its activities have been connected mainly with administration of the grant program, although fundamental studies on health insurance and related matters have not been neglected.

That is all there is in those twelve pages to which I was referred that deals directly with health insurance studies. The remainder of that chapter deals with federal health grants.

Mr. Martin: Will my hon. friend permit just one interruption? When I suggested this afternoon that he might want to make his speech on this subject on this item, he thought he had better give it on the general item. I do not want to quarrel with him for doing it. Let me assure him of this. We are making most careful studies of this whole problem. We are waiting now for the results of the important surveys that are being conducted by every one of the provincial governments. The cost figures that will come out of those surveys are an integral part of anything that might be done. I want to assure my friend that we are making most serious studies. As he knows, we have brought into the department a number of individuals, one of whom has had previous experience in the matter of health insurance with one of the provinces. We are constantly encouraging, through that division and through our research division, a most careful study of this matter.

While my hon. friend may refer to that question and the answer given in the way he has, I am not criticizing that, but in order to expedite this matter I want him to know, and I believe he will accept this, that we are giving this matter the fullest, most scientific consideration any group of people engaged in the public service of this country can give. We are doing that not only on our own but in collaboration with certain provincial bodies, provincial governments, and with some of the personnel of those provincial governments who have had experience. Two officials of the department have gone to the United Kingdom to make careful spot studies for us in connection with certain phases of the problem. I want my hon. friend to know that we are not neglecting this matter. I hope that this intervention will save him much of the energy which he otherwise might have expended.

Mr. Knowles: It is exceedingly difficult to do otherwise than accept the assurance the minister gives, especially when he gives it in that inimitable tone of voice which he has just used. I do say that the kind of assurance he has sought to give me now sounds to me to have a little more substance in it than the assurance given me in previous years. The trouble is I have felt that way every year. There is something in the minister's tone of voice that makes me change my mind. Every year I rise determined to blast the daylights out of the minister for doing nothing about this matter, but then he gets up and tells me in this tone of voice about what is being done and I decide to give him another year. Then, the next year the tone of voice is stepped up a bit, but he tells me—

Mr. Fleming: The same old thing.

Mr. Knowles: He tells me the same thing that is in the report. It is buried somewhere in the twelve pages that are supposed to be

devoted to this question of health insurance studies. He said the matter is not being neglected, and that is all his department said in its annual report, that fundamental studies on health insurance and related matters have not been neglected. I have to associate with this the fact that the minister said this afternoon, if I understood him correctly, that he is more concerned about getting health services started than he is about health insurance. I want the health services developed too, but I feel that greater priority than has yet been given should be shown this business of health insurance. No purpose is served by having the finest hospitals and doctors available to our people if our people cannot afford to make use of those services. That is the purpose of health insurance, to distribute the incidence of the cost so that the people who are ill or who need a preventive health service can get it regardless of their financial position.

I do not quite know whether to take the minister's assurance as having more substance than it has had in former years. I suppose I shall have to give him another chance. But I remind him that it took a good many pages in *Hansard* for the minister to answer the questions that I put on the order paper; six pages, in fact. It took all that space to answer a small question that occupied about two inches in one column. Later on another question produced another long answer, all of which suggests to me that the people who drafted these replies for the minister felt their job was to make it look good, to make it look as though they were doing something in the field of health insurance studies, whether they were or not. As a matter of fact most of the time of the people paid under this grant is being given to an important job, but that job is the administration of the health grants and not to studying health insurance.

I want to see this country reach the point where we have the finest medical and hospital services available, but I want them to be available to our people. I want our people to be able to afford them, and the only way that can be done is by a health insurance program which would cover all the people of the country. One of the advantages of old age pensions being before a committee and therefore not debatable here at the moment, if I may say so, is that the committee is forced to discuss this other question. I think that is good. It means we are giving some priority tonight to the question of health, and I urge the minister to realize that in this field of health it is not just the provision of services that matters but that health insurance is equally important. I am glad we are voting more money for this purpose. I hope when I put questions on the order paper next year or ask questions on the estimates the minister will not have to fall back on the assurance that the matter is not being neglected, but will be able to tell me in concrete terms what has been done.

Mr. Blair: Could I have the information I asked for?

Mr. Martin: The figure is $10,200.

Mr. Fleming: This afternoon when this subject of health insurance was being discussed the minister very properly made reference to two sound principles. The first was that, the matter of public health services being within the provincial field, anything done in this connection will have to be done in full co-operation with the provinces. The second was that nothing should be done to interfere with the relationship between doctor and patient, which has something very intimate and confidential about it. In view of the fact that the dominion-provincial conference is to be held in September, may I ask the minister if he has taken any steps as yet to see that the matter of a public health program is placed upon the agenda of that conference?

Mr. Martin: As my hon. friend knows from the statement made by the Prime Minister, the provinces were invited to suggest the items to be discussed. So far at least one province has included this item among its suggestions, and I expect that other provinces will do the same. So far as I know there has been no suggestion along that line as yet from the province of Ontario, but the suggestion has been made by at least one province, if not two, so the item certainly will be on the agenda.

Item agreed to.

Health services—

234. Blindness control, $35,320.

Mr. Fraser: Would the minister say exactly what his department is doing in regard to blindness control? I notice that only $6,000 is being provided for professional and special services, and I believe much more work should be done in this connection in Canada.

Mr. Martin: My hon. friend is touching a point that interests me very greatly. He will remember when I had the privilege of announcing that we would commence paying pensions to the blind at age 21, and we believe every endeavour should be made to see that those in receipt of pensions as well as those who are potential beneficiaries of pensions to the blind are so treated as to remove the necessity for pensions. We have a program

with three provinces, and are prepared to enter into arrangements with all provinces, for dealing with people who are blind or going blind, in order to give them the necessary surgical and medical attention to prevent blindness. We have had some results. I know of one case which was brought to me by an hon. gentleman, the late Maurice Hartt. We were able to provide the necessary surgical treatment for this person, who was in receipt of a blind pension, as a result of which his eyesight was restored and he is no longer on the pension rolls.

Mr. Fraser: Do I understand that the only people who can be helped under this item are those in receipt of blind pensions?

Mr. Martin: That is right.

Mr. Fraser: What is done for the other people, who are not in receipt of pensions?

Mr. Martin: That is a provincial responsibility, and some of the provinces are doing great work in that regard. This item has to do with people who are in receipt of blind pensions. It does not mean they must be totally blind, but they must have the degree of blindness which entitles them to a pension.

Mr. Fraser: I do not want to hold up the item, but I am interested in this matter. I wonder if some campaign could not be put on to help these people. For instance, a person with too much sugar in his system will go blind. They are the people who get cataracts on their eyes, but that is not widely known. I believe matters like that could be put into the department's monthly bulletins.

Mr. Martin: Under the health grants we have two projects dealing with this very matter. We have under consideration now a pamphlet that we hope will receive wide circulation and which I know the Canadian National Institute for the Blind will be very interested in seeing.

Mr. Fraser: Then I am just going to pass on a little advice. In the Senate we have Dr. Veniot, who I think knows more about blindness and its cure than almost anyone else in the country.

Mr. Martin: He is a very good man.

Mr. Fraser: If the minister would have a conference with him and get his suggestions—

Mr. Martin: We have talked about it many times.

Mr. Fraser: Then I hope you accept his suggestions.

Item agreed to.

[Mr. Martin.]

Health services—

235. Epidemiology, $35,780.

Mr. Macdonnell (Greenwood): I should like to feel that I understood something about this item. Will the minister tell us in a word or two what is being done about this? I know what it means now.

Mr. Martin: If my hon. friend had consulted me instead of the dictionary I might have been able to give him the right answer and save his eyesight. This division was recommended first of all by the dominion council of health, which proposed the setting up of an organization in our department with regard to epidemics and the whole question of epidemiology. We acted upon that suggestion and made arrangements with the Rockefeller foundation, who made a survey of the health department organizations in the country in respect of this matter and then recommended the present set-up, which is essentially one of co-ordination in connection with similar efforts being made in some of the provinces. The functions of the division are to plan, co-ordinate and execute a national epidemiological program in conjunction with divisions or departments of governments, universities and certain organized groups in the dominion. It seeks to study the incidence and spread of disease in order to achieve adequate control methods throughout Canada. It conducts investigations into the control of those diseases which involve more than one province, or which by mutual agreement with the provinces are considered federal rather than provincial, such as plague, shellfish poisoning, and the like.

Mr. Macdonnell (Greenwood): Does that mean there is a separate scientific department set up and working here in Ottawa doing that sort of thing? While I am on my feet, is any use made of the scientific set-up at the various universities?

Mr. Martin: Oh, a great deal. As a matter of fact Dr. Peart, the head of the division, is doing some work at Harvard now in connection with a study that was initiated at one of our Canadian universities. He is following up some work there because they have some special equipment.

Mr. Macdonnell (Greenwood): Does the minister happen to know of any tangible result that can be expected, although not overnight? Is there any special tangible result to date?

Mr. Martin: I cannot say there have been any tangible results. This is a new division. At first we had difficulty getting personnel, but in conjunction with our laboratory of

hygiene they are engaged with the universities and our own laboratory in a series of studies, all of which adds to the totality of knowledge, and results in achievement. But to say that we have there concrete things, no; to say they are exercising supervisory interest and continuing interest in all these matters, certainly yes, and very definitely.

Mr. Macdonnell (Greenwood): How many of the provinces are at work on this?

Mr. Martin: We have relations with eight of the provinces. We have theoretical relations with all ten in this field. There are two provinces that are not themselves sufficiently organized to make collaboration completely effective with them at the moment, but that collaboration will be made effective before too many months.

Mr. Macdonnell (Greenwood): How old is this division?

Mr. Martin: This particular division goes back about three and a half years in its present form.

Mr. Macdonnell (Greenwood): How many provinces had special divisions of this kind before?

Mr. Martin: I cannot say the exact number. I think there were about three. Dr. Jackson says four. I knew it was about that number.

Mr. Macdonnell (Greenwood): The minister considered it necessary to have this additional organization in addition to what the provinces were doing?

Mr. Martin: The provinces themselves were the ones who asked for it. As I explained this afternoon, we have a dominion council of health that meets twice a year. The dominion council of health is a body made up of all provincial departments of health and the federal government. They meet in Ottawa. We bring them here and we discuss common matters, namely, those matters on which they can do a better job; those matters where we need not have duplication of effort; those matters where there should be co-ordination and the like.

Item agreed to.

National health branch—

Health services—

237. Medical services—Indians and Eskimos, $11,694,839.

Mr. Bater: I notice that this item is for Indians and Eskimos. Are they on a par to qualify for this assistance? Or am I correct in understanding that a full-blooded Indian to qualify must be a treaty Indian and reside within the boundaries of a reserve?

Mr. Martin: The answer is the latter. But I may say that while we have to realize the obligation under our financial commitments there are many areas where it is impossible to distinguish between the two groups.

Mr. Harkness: It would be helpful to the committee if the minister at the start of our consideration of the medical services for Indians and Eskimos would give us an outline as to what has been accomplished during the past year, particularly in the matter of extension of hospital services, and the reaching out, if I might call it that, of medical services to the Indians in the outlying areas; also what number of Indians have now been X-rayed for tuberculosis, and what was the result of that survey, and what steps have been taken to deal with the Indians who were found to be suffering from that disease.

Mr. Martin: As my hon. friend knows, the expenditures in this particular division have increased sixfold in the last six years. The total budget now for Indian medical services is about $11,700,000. Five years ago it was about $2 million. Eight years ago it was under $800,000. With these expenditures we are building up a whole network of hospital institutions across this country for the main purpose of doing our best to stamp out tuberculosis among the Indian and Eskimo population of this country. These hospitals are strategically located all over the country. To them must be added the number of nursing stations which are being built, the number of nurses who are being added to attend these institutions and the number of permanent and part-time doctors all over the country. I may say that the results are certainly most encouraging. To discharge on behalf of the people of this country the accepted responsibility for the health of 130,000 Indians and 8,000 Eskimos, we have a trained staff now of 1,150 in Indian health services. We have several hundred dentists who give part-time service, as well as some who give full-time service, although I must admit that our dental service program in this particular is not as complete as I should like to see it. The reason for that is largely the difficulty of getting dental personnel.

The results of this program of hospitalization enable me to say tonight that our statistics since 1944 show a 40 per cent decline in the tuberculosis mortality rate among Indians. I think that is an achievement of which this whole country should be proud, not an achievement that I am not responsible for; I am not putting it forward on that basis, but one that the director and those under him have to their credit in trying to stamp out this dread disease.

There are many areas yet where the job is colossal, but one of the things that I said in this house when I took over this portfolio on the first presentation of my estimates was that one of our objectives was to stamp out this dread disease. I said that we were doing our best to create the services by which this disease could be stamped out. With that in mind we have undertaken an X-ray program, which enables me to say tonight that in 1949, 75 per cent of Canada's entire native population was given a chest X-ray. That is no mean achievment. As a result of these X-rays, not only have we learned the incidence of t.b. but incidentally we have learned the prevalence of other diseases, and of other illnesses in Indians which, but for these X-rays, would not have been detected.

Mr. Harkness: I am glad to hear of the improvement which has taken place as far as t.b. is concerned. I wonder whether the minister can tell us what the t.b. rate is at the present time amongst the Indians and what it is amongst the white population?

Mr. Martin: Yes, I have that. Tubercular deaths per 100,000 population of Indians—I am giving the figures now for 1948—were 480·1 and 32·4 for the whites. My hon. friend has the figures that I gave last year which show the tremendous improvement. For instance, in 1947 it was 549 for the Indians and 38·2 for the whites.

Mr. Harkness: The last figures the minister has are the rates for 1948? He has not the rates for 1949?

Mr. Martin: I have some figures, but they are not official yet.

Mr. Harkness: I trust that this improvement between 1947-48 has continued. This rate is still extraordinarily high. I think the minister realizes that, but there is still considerable improvement to take place. There is still a great deal of work to be done along that line.

Mr. Martin: There is no doubt about that.

Mr. Harkness: I know the director and the people in the Indian health services branch know that, and are working on these problems. To come back to the matter of hospital construction, nursing stations and the like, can the minister tell us what hospitals were constructed or finished last year, and what nursing stations were put up?

Mr. Martin: The only hospital actually opened last year was at Sioux Lookout, besides about eleven nursing stations.

Mr. Harkness: Do I understand from that that this entire amount of $2,800,000 was spent on the Sioux Lookout hospital and the eleven nursing stations, or was a considerable amount of that on buildings to be completed in the coming year—or what is the situation?

Mr. Martin: Yes.

Mr. Harkness: What does "yes" mean?

Mr. Martin: Completed this year.

Mr. Harkness: What Indian hospitals did this vote cover? What ones are now under construction; and how many, if any, will be completed this year?

Mr. Martin: Norway House, Moose Factory and Hobbema.

Mr. Harkness: Are those hospitals or nursing stations?

Mr. Martin: Of course additional to this are some hospital residences in remote areas where we have to have hospital residences in order to attract medical personnel. In one place we have a nurses' residence, and two laundry buildings.

Mr. Harkness: As I understand it, there are two hospitals covered in this vote. They may be completed this year. Then there are residences for medical personnel. Is that the general situation?

Mr. Martin: Three hospitals.

Mr. Harkness: Are there any more nursing stations to be built this year, or is the program for nursing stations now complete?

Mr. Martin: No, there are eighteen new ones.

Mr. Harkness: Eighteen more included in this vote?

Mr. Martin: Yes.

Mr. Harkness: Are they pretty well scattered over the entire dominion?

Mr. Martin: Yes, all across the dominion.

Mr. Harkness: Then my next question concerns personnel. Looking at page 186 of the estimates there would seem to be 88 permanent employees and 1,094 temporary employees. In addition to this there are casual and other assistants amounting to $40,000 last year and $75,000 this year. What is the explanation for this proportion of about twelve to one of temporary as compared with permanent employees? Are a large number of these 1,094 temporaries part-time doctors? If so, how many are part-time doctors, and what are the others who come under that classification?

Mr. Martin: In the first place, our quota in the Indian health division is 30 per cent. The hon. member will understand that we have to maintain a balance between permanent and temporary employees.

Mr. Harkness: Quota of what?

Mr. Martin: Our quota of permanent employees is 30 per cent. The large number

of temporaries is, first of all, due to that circumstance, and to the fact that we have engaged throughout the country a shifting personnel including orderlies, ward aides, men to look after furnaces, men to drive trucks and, as the Minister of Public Works says, charwomen. Then there are a large percentage of Indian personnel whom we seek to encourage.

Mr. Harkness: The minister says the quota of permanent employees is 30 per cent. However, the present quota is down to 8 per cent. That seems to be an extremely small number of people in permanent positions—and I suggest that in most instances having permanent employees tends to give a more efficient service.

Mr. Martin: We are working up to it. However, this branch, in the form in which it is, was established only in 1945. There has been a very great acceleration of the Indian health service work. As quickly as we can get it up to permanent status my hon. friend may be sure we will do so.

Mr. Harkness: To what extent are the Indians in the outlying areas now receiving medical assistance? I am thinking particularly of a group of Indians at Nordegg who have recently signed a treaty in Alberta. Of course there are numbers of bands of Indians all across the country who live in fairly remote areas and who, until fairly recently, received no medical attention whatsoever. What has been done to extend medical facilities to those people?

Mr. Martin: I believe I have covered that already by pointing out that 75 per cent of the native population have received chest X-rays. Then there has been the building of these nursing stations in the most remote areas. However, just as quickly as we can get personnel and get authorization we will reach the others with medical and hospital assistance. My hon. friend will see at once from the program of expansion that we are seeking to reach these numbers at an accelerated rate.

Mr. Harkness: Does the minister mean—

The Deputy Chairman: The hon. member for Red Deer.

Mr. Shaw: Mr. Chairman, last December and again in March of this year I found it necessary to direct some rather severe criticism against the Indian health services branch for its failure to take appropriate action in the matter of a very serious health problem among two bands of Indians in my constituency.

Tonight I rise to discuss the same subject, but not this time by way of criticism. In March, and during the weeks immediately following, certain very definite action was taken by the Indian health services branch to deal with the problem I had indicated, and which I had brought before the house. The reports I have received from that territory and the information I have procured as a result of personal investigation lead me to be extremely optimistic at the moment.

When speaking before I did not overestimate, nor did I underestimate the nature of the problem in that district. I also pointed out that I realized it would be an extremely difficult task for the department to deal effectively with that situation. I was not looking for results overnight. So long as I can feel convinced, as I am at the moment, that the branch is prepared to adopt the right attitude, and that it is prepared to deal with the problem in the most effective manner, it will have my support.

I wish to commend the minister and the director of health services as well as others in the department who have taken action in the matter, and who are now I believe facing up squarely to what was a rather sordid picture among the Indians.

The hon. member for Calgary East referred to one band that had recently accepted treaty. I was delighted when that occurred. No doubt it will be much easier for the department to render service to those Chippewa Indians now than it would have been if they had failed to accept the treaty. I have no hesitation in commending the activities which are now going on in that part of my constituency.

Mr. Harkness: There is one item of educational and informational publicity, for which $8,000 was voted last year and $5,000 this year. How is that put out to the Indians and what does it consist of?

Mr. Martin: We have some diet sheets and we have some still pictures and lantern slides. Then we have calendars and posters in the Indian language which have been prepared by people who have great experience. These are put out in an effort to bring home to the Indian the importance of diet, good medical care and hygiene, and they set out particulars of family allowances and so on.

Mr. Harkness: That sounds like a sensible program. I was afraid it might consist of reading material and I know that many of these people cannot read and it would not be of much use to them. There is a considerable increase in travelling expenses from $270,000 to $350,000. I have urged consistently that the medical personnel should get around to

more bands and people and if that is to be accomplished by this increase in travelling expenses it is all to the good. Is a great deal of this made up by people travelling to different parts of Canada on administrative duties?

Mr. Martin: There would be about $8,000 in the latter category. The director does a great deal of travelling, as he must and should do. As my hon. friend knows, the organization of the Indian health branch is pretty well on a regional and provincial basis. The increase in expenditures is largely due to the fact that new and larger hospitals have been built and Indians are being transported by different means from the remote regions to these hospital centres. They are transported by air when necessary. Survey teams are being sent into different areas where there are no hospitals. I was sorry my hon. friend was not here this afternoon when this matter was dealt with.

Item agreed to.

Health services—

238. Civil aviation medicine, $54,880.

Mr. Blair: Of this amount of $54,880 a total of $22,800 is for travelling expenses, and there are six temporary assistants totalling $18,930. What work is done by this branch?

Mr. Martin: We bring private practitioners from all over Canada to give them special courses in civil aviation medicine, which work is carried on in conjunction with the Department of Transport.

Item agreed to.

General health grants—

239. To authorize and provide for health grants to the provinces upon the terms and in the amounts detailed in the estimates in accordance with regulations prescribed by the governor in council including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year not to exceed a total amount of $34,482,926, $25,000,000.

Mr. Thatcher: This is the item under which federal grants for hospital construction are made. I should like to detain the house for a few minutes to discuss this matter, as it is most important to my constituents who are trying to build a new hospital wing. These federal grants have gone a long way toward alleviating the shortage of hospital beds in the nation but we have still a considerable distance to go. In my own home city for instance, some nights there are as many as 150 people who cannot get hospital beds. At times the doctors have to send patients to hotel rooms.

As I say, these federal grants are all to the good and I congratulate the minister on having introduced them. However, there are certain weaknesses in the legislation which

makes it impossible for some municipalities and cities to properly utilize it. We in Moose Jaw want to take advantage of these grants but so far we have not been able to, and there are many other municipalities in the same position. The Auditor General's report for the fiscal year ended March 31, 1949, shows that of the $13 million voted by this parliament for hospital construction a total of more than $10 million was allowed to lapse. This must be evidence of some weaknesses in the legislation.

I have had considerable correspondence with hospital authorities, with doctors, and with city councillors in Moose Jaw, and I have been asked to propose to the minister a few changes in the legislation so that more municipalities may take advantage of it.

The first weakness, as I see it, is that these grants are made only for the purpose of providing new beds. They are apparently based on the premise that other facilities are not needed. The shortcomings of this formula are obvious. With modern advances in hospital care, the need for extended facilities and up-to-date equipment has increased enormously.

Today in Canada there are dozens of hospitals which have enough beds but which lack X-ray rooms, operating rooms, diet kitchens and things like that. Unless the federal government is concerned more with quantity than with quality, surely the formula should be revised to take care of the need for these central services. To say that our hospitals can be improved only by the addition of beds, is like saying that improvements in our railroad system should be measured only by the number of box cars we add to it.

Many hospital authorities have asked for such a change. For instance, the Canadian Hospital Council, which met recently in convention, passed the following resolution:

Be it resolved that the Canadian Hospital Council request the Minister of National Health and Welfare to extend the scope of hospital construction grants, to cover part of the costs of construction of . . . essential and supporting services, and further be it resolved that construction grants apply to all new constructions . . . where it can be shown that an existent structure is obsolete for efficient patient care.

I ask the minister to consider changing these grants so that these central facilities may be provided as well as new beds.

A second weakness in the legislation, as I understand it, is that it does not include assistance for the construction of nurses' residences. Obviously there is not much use in providing a lot of beds, if you do not have nurses to look after the patients. They might as well stay at home. There have been many requests from responsible authorities to have

assistance for this kind of construction provided. For instance, the Canadian Hospital Council at its last annual meeting asked that the grants cover part of the cost of constructing nurses' residences. The Ontario Hospital Association made the same request, as did the Alberta Hospital Association.

The third weakness of the legislation I believe is the rigidity of the financial clause in order in council P.C. 2060. This reads:

> That the estimates provide that the distribution of the amount each province may become entitled to receive shall be on the basis of $1,000 for each active treatment bed or bed equivalent and $1,500 per chronic or convalescent bed as hereinafter defined.

The order in council provides that payment shall be made of the balance required to provide:

> an amount up to one-third of the total cost of construction or to provide an amount calculated on the basis set forth in paragraph (a) of this section ($1,000 per active treatment bed or $1,500 per chronic or invalid bed), whichever is the lesser.

Theoretically the present legislation provides that the federal government will grant up to one-third the cost of building a hospital but the experience in most provinces over the past several years is that the federal grant never exceeds 20 per cent; and, as far as university hospitals are concerned, it is sometimes only 10 per cent. Premier Duplessis of Quebec made the following statement on October 15, 1949, as reported in the Quebec *Chronicle-Telegram*:

> The federal contribution represents about one-tenth of the cost of each new hospital bed in this province with the other nine-tenths being paid by cheque and by the institutions interested.

As I see it, this is the result of a formula which is based on a net gain in beds, which certainly is no gauge of the hospital's usefulness or of its cost. It seems to me that the formula would be much more useful if it were to provide that the federal government would match the provincial contribution, whatever the amount might be, for each hospital project.

I think it is obvious, and I think the minister will admit, that while a lot of good has been accomplished, there are nevertheless certain weaknesses to the order in council. I suggest to the minister that while the legislation is before us he should consider amending it. I do not feel it would cost the taxpayers any more money, and it would make the act much more effective.

I have then four recommendations to make to the minister. First of all, I suggest that he permit the grants to be used at least in part for extending laboratories, X-ray, operating room, dietary and other administration facilities. Second, I suggest that he permit the grants to be used when necessary for the establishment of nurses' residences. Third, I suggest that he permit the federal government to pay one-third of the costs of construction, whatever the amount might be, for each hospital project as long as the provincial government recommends it. Fourth, I suggest that the federal government should make loans available to the municipalities at low interest rates to help them finance their share of the cost, and allow them to repay the loans over a period of years.

These are suggestions which would help us in Moose Jaw. I think they would help in many parts of Canada. I wish the minister would tell parliament and the people what he can do in this connection.

Mr. Martin: I cannot do anything at the moment on that.

Mr. Knowles: In the course of his remarks the hon. member for Moose Jaw referred to the possibility of the legislative provisions being amended. I suggest that one of the difficulties is that as yet we have no legislation respecting these grants. They have been in effect now since 1948 but each year they have simply appeared as items in the estimates.

Mr. Martin: I hope we can correct that.

Mr. Knowles: Here again is the persuasive voice of the minister expressing the hope that it can be corrected. That is a hope we have had for a number of years. As a matter of fact I recall sitting in the gallery of the Manitoba provincial legislature at Easter this year and hearing the provincial minister of health, the Hon. Ivan Schultz, answer a question on this very point. Lloyd Stinson, one of the members for Winnipeg South, asked when this matter was going to be put on a statutory basis so that the provinces and others interested would know what the provisions actually were. Mr. Schultz assured Mr. Stinson that he had been assured by Mr. Martin that it would not be long before this would be done. When is it going to take place? When are we going to have it put on a statutory basis? If I may remind the minister, this is another of the items referred to in the memorandum of the Auditor General as an item in the estimates that legislates which the Auditor General is prepared to condone on a temporary basis but not as a permanent practice. The minister is moving his head a lot. Has he no comment to make?

Mr. Martin: Not at the moment, no.

Mr. Thatcher: I would still like the minister to tell me why it would not be feasible to allow these grants to be used for the other facilities which accompany the extra beds?

Mr. Martin: It is a question of funds. If I had unlimited money I could do more than I am doing. I will give consideration to the representations made by my hon. friend.

Mr. Thatcher: I suppose the minister will tell me this is government policy, but would it not be possible to make low interest loans to the municipalities so that they could take advantage of the legislation?

Mr. Martin: Anything is possible but whether it is desirable is another matter.

Mr. Knowles: The minister talks about what he would do if he had unlimited funds. May I remind him when the policy was first instituted in 1948 the figure then was about $30 million a year, and we pointed out that was only one-fifth of the $150 million set out in the green book of 1945. We were assured then that the amount would increase over the years. Nevertheless the actual cash to be voted this year is down to only $25 million.

Mr. Martin: That is simply the estimate for this year, but in our discussions with the provinces it was estimated that it would reach $34 million, and if we reach that figure we are prepared to meet it.

Mr. Knowles: But the additional amount will be paid next year; this is only a commitment authority.

Mr. Thatcher: I do not wish to be persistent but the minister said that these extra facilities could not be provided because of the cost.

Mr. Martin: If the hon. member will allow me, I have to leave in the morning and I am trying to get as much through as I can. I cannot say any more than I have said. There is only so much money available. Our purpose is to provide hospital beds, and in co-operation with the provinces we have been successful to the extent of over 21,000 beds. If we built nurses' homes and provided all these other things there would not be enough money at our disposal. There are some matters that we regard as within the financial responsibility of the provinces. There are some things we must leave to them. I am sorry that at the moment I cannot meet my hon. friend's request.

Mr. Thatcher: Last year parliament voted $13 million and more than $10 million lapsed. Therefore I do not see how the minister can say that it is a question of finance. If you add 100 beds to a hospital and still have no extra operating space what good will it do? You cannot handle any more patients. It does not seem to me to be the proper way to do it.

[Mr. Thatcher.]

Mr. Gillis: The minister said that he would give consideration to the recommendations made by the hon. member for Moose Jaw, and at least he might think that the hon. member is expressing the opinion of the people in his own riding. Before coming here for this session I travelled over a considerable part of Nova Scotia and discussed these matters with some of the people who are handling the grants. The reaction I got in that province was almost the same word for word as what the hon. member for Moose Jaw has said. I will not repeat it, but I trust the minister will give serious consideration to the matter.

Item agreed to.

Welfare branch—

241. Family allowances—administration, $1,960,952.

Mrs. Fairclough: Mr. Chairman, I have taken the suggestion the minister made this afternoon that we should speak to specific items rather than discuss everything on the administration item.

Mr. Martin: You will be giving the house a great example.

Mrs. Fairclough: Thank you. As a member of the opposition I must confess to some resentment at the statement made by the minister this afternoon to the effect that members of the opposition are irritated by the accomplishments of his department. I trust that the minister was not entirely serious in making that statement. In so far as I am concerned, I may say that, because of the benefit to the people of Canada as a whole, I would be delighted to acknowledge a brilliant success in the minister's department, but I would want that success to be one of efficiency as well as brilliancy. I would want the department to use every dollar expended to its fullest extent. I think that is the purpose for which we are examining these estimates in detail. We are all gravely concerned about this department. So far as my own riding is concerned, I like to know where this money is being spent, and what results are being obtained. Everything that is spent in the department of welfare reflects itself in municipal costs. Municipal costs in turn reflect themselves in the tax rates which are struck in the municipalities, which in turn become a burden upon the small home owner. After several years' experience in municipal work I have become keenly conscious of the increasing burden which is borne by the small home owners of this country by reason of welfare costs which are paid by municipalities, and which I have always maintained and still maintain should be assumed by some higher levels of government.

Mr. Chairman, I take up the challenge which the minister threw out this afternoon. I should like to make a definite suggestion in connection with this item. I notice that in the details on page 189, at the foot of the page, there is the note "educational and informational publicity", and the amount of the estimate is reduced from $95,000 for last year to $56,500 for this year. From that I would presume that the activities of this department are to be curtailed. I should like to suggest that some of this money be spent in giving advice to at least some of the recipients of family allowances. The suggestion which I have to make is that the department should consider enclosing with the family allowance cheques dietary advice.

I realize there are many people in this country who probably do not need such advice, and who are well informed. But there are a great many others who do need it. Today there are families living in two and three rooms in many municipalities in this country. Under the conditions which prevail in housing, they are living in quarters in which there is no adequate provision for food storage so it is necessary for them to live from hand to mouth. The children come home from school at noon, and the mother sends them out to the corner grocery store. They return with small quantities of food, such as a few slices of cooked meat and even a quarter pound of butter because they cannot store larger quantities. Owing to this situation the money which is going into those homes, ostensibly for the care of those children, for nutrition and so on, is being spent on the most expensive type of food that the homemaker can buy. It is being spent on that food because, in many instances, the mother of the family does not realize there is a better way in which to spend that money.

I believe that the department could serve a useful purpose in ensuring the more efficient use of the moneys which are expended on family allowances if a careful study of this question were made, and if this information were given to the mothers in simple form. There should not be too many suggestions on one sheet, but a simple enclosure with each family allowance cheque suggesting inexpensive meals, and various domestic economies in the purchase of foods and the storage of food which would be practicable in those restricted quarters. As I said before, Mr. Chairman, I am throwing out this suggestion to the minister. I do not want to take up too much time on this particular point, but I think it is worth while for the department to consider some manner, after the exchanges which have taken place here today, of getting the publicity of the department to serve a more useful purpose.

Mr. Fleming: I wonder if the minister would put on the record the tables which he usually puts on the record at this point, giving in tabular form the information in relation to payments.

Mr. Martin: Yes, I shall table family allowance statistics based on May, 1950, family allowance payments, and the family allowance payments for November, 1949, to May 1950. I should also like to congratulate the hon. member who has just spoken.

The Deputy Chairman: Has the minister permission to put these tables on *Hansard*?

Some hon. Members: Agreed.

Mr. Martin: The tables follow:

FAMILY ALLOWANCES DIVISION

STATISTICS BASED ON MAY, 1950, FAMILY ALLOWANCES PAYMENTS

Province	Number of families in pay	Number of children in pay	Average allowance per child	Average allowance per family	Total amount
Newfoundland	50,808	140,345	$5.99	$16.55	$ 840,769
Prince Edward Island	13,234	33,854	6.04	15.44	204,372
Nova Scotia	91,168	214,806	6.03	14.22	1,296,429
New Brunswick	72,668	189,617	6.00	15.65	1,137,061
Quebec	510,457	1,362,700	6.01	16.03	8,184,606
Ontario	607,515	1,214,358	6.01	12.01	7,297,592
Manitoba	106,284	222,597	6.01	12.59	1,338,132
Saskatchewan	117,438	262,869	6.06	13.56	1,592,075
Alberta	131,769	282,065	6.02	12.89	1,698,823
British Columbia	156,887	301,571	5.96	11.46	1,798,704
Northwest Territories and Yukon	3,890	8,337	6.18	13.26	51,567
National	1,862,118	4,233,119	$6.01	$13.66	$25,440,130

NOTE.—Corresponding table for last year appears at page 3017 of Hansard, dated December 9, 1949.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

FAMILY ALLOWANCES PAYMENTS NOVEMBER 1949 TO MAY 1950

Province	November	December	January	February	March	April	May
Newfoundland	$ 820,778	$ 827,236	$ 828,949	$ 833,535	$ 835,534	$ 833,866	$ 840,769
Prince Edward Island	201,818	202,499	201,899	202,546	202,853	203,630	204,372
Nova Scotia	1,282,626	1,282,783	1,286,776	1,287,263	1,291,026	1,293,028	1,296,429
New Brunswick	1,118,844	1,123,581	1,127,572	1,219,309	1,130,338	1,134,336	1,137,061
Quebec	8,060,789	8,052,284	8,118,084	8,127,586	8,124,539	8,166,550	8,184,606
Ontario	7,133,872	7,168,296	7,194,800	7,218,728	7,252,071	7,275,486	7,297,592
Manitoba	1,311,964	1,317,268	1,319,564	1,325,092	1,328,884	1,334,381	1,338,132
Saskatchewan	1,584,948	1,581,192	1,580,987	1,582,619	1,585,299	1,587,076	1,592,075
Alberta	1,664,852	1,671,338	1,677,599	1,679,183	1,685,215	1,691,449	1,698,823
British Columbia	1,756,939	1,762,705	1,772,897	1,782,979	1,788,233	1,793,373	1,798,704
Northwest Territories and Yukon	52,133	51,554	50,669	54,510	51,804	50,719	51,567
National	$24,989,563	$25,040,736	$25,159,796	$25,223,350	$25,275,796	$25,363,894	$ 25,440,130

NOTE.—Corresponding table for last year appears at page 3,018 of *Hansard*, dated December 9, 1949

Mr. Drew: I assume the minister will adhere to his undertaking to let the item in regard to old age pensions stand?

Mr. Martin: Definitely.

The Deputy Chairman: Shall the item carry?

Mr. Drew: No, item 241 is family allowances, but it is shown as a combined item with 242.

Mr. Martin: Item 242 is the administration item. Item 241 deals with family allowance administration, and item 242 deals with the administration of old age pensions.

Mr. Drew: As long as there is no confusion about it. The page in my book shows old age pensions as coming under item 241. So long as we are quite clear that the old age pension item stands, that is all I am asking.

Mr. Martin: Yes.

Mr. Fleming: Has the minister the information as to the administrative costs with respect to family allowances for the other two departments concerned besides his own?

Mr. Martin: Yes, the cost of administration of family allowances for the fiscal year ending March 31 amounts to $4 million. The cost to the treasury department was $2,207,-851.56. The cost to the Department of National Health and Welfare was $1,833,-387.29. The cost to the Public Works Department was approximately $200,000. It is therefore indicated that the total costs amount to 1·43 per cent of the family allowances paid during the fiscal year, which is considerably less than is found under similar programs administered elsewhere.

Item agreed to.

[Mr. Martin.]

Welfare branch—

242. Old age pensions (including pensions to the blind)—administration, $86,320.

Item stands.

Welfare branch—

243. National physical fitness—administration, $74,868.

Mr. Fleming: In connection with item 243, a Canadian Press dispatch of May 5 reports the resignation from the National Council on Physical Fitness of Dr. J. B. Kirkpatrick of McGill university. The article reads as follows:

> In a letter of resignation, the director of physical education at McGill protested against the lack of parliamentary interest in the council's work.
>
> Dr. Kirkpatrick said a bill for revision of the National Physical Fitness Act has not been introduced in the House of Commons.
>
> "In terms of federal financial support for the fitness program, we are no further ahead than we were seven years ago," he said in the letter.

Dr. Kirkpatrick represented Saskatchewan on the council. Has the minister any statement to make on this subject, in so far as the bill which was apparently to have been introduced is concerned?

Mr. Martin: I cannot say anything about that. It is true that Dr. Kirkpatrick resigned, feeling that more money should be appropriated for physical fitness, and I cannot say that in theory there was not a good deal to his point of view. There again, however, there are priorities of obligation. This matter is continually under review and discussion with the National Council on Physical Fitness, and is continuously being studied.

Item agreed to.

Mr. Martin: The Minister of Public Works calls my attention to the fact that items 246 to 258 inclusive cover miscellaneous grants, and I wonder if we could pass those.

Mr. Knowles: As long as you leave items 242 and 245.

Welfare branch—

National physical fitness—

244. Assistance to provinces, $150,288.

Mr. McLure: What provinces are getting this assistance, and how much to each province?

Mr. Martin: All provinces but Quebec. Perhaps I could table the list of expenditures.

Some hon. Members: Agreed.

Mr. Martin: The amount of assistance by provinces was as follows:

National Physical Fitness—Assistance to Provinces

Newfoundland	....
Prince Edward Island	$ 1,858.50
Nova Scotia	11,426.92
New Brunswick	8,943.75
Quebec	....
Ontario	....
Manitoba	7,237.93
Saskatchewan	17,520.75
Alberta	16,463.71
British Columbia	15,993.00
Northwest Territories	234.00
	$79,678.56

Item agreed to.

Mr. Martin: Could we not call item 245?

Mr. Fleming: If you will let us discuss it for a moment.

Mr. Martin: Could we not sit for a few minutes to discuss this question?

Mr. Knowles: An hon. member who is not here at the moment wanted to say something about this item. It is after eleven o'clock.

Mr. Martin: I should be very glad to give consideration to what he would say.

Mr. Knowles: No; items 242 and 245 should stand.

Progress reported.

BANKING AND COMMERCE

Mr. Hughes Cleaver (Halton): Mr. Speaker, may I ask for permission to revert to the presenting of reports of committees, and to present the sixth report of the standing committee on banking and commerce, in English and French, with copies of evidence attached.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will take up the following bills: Bill No. 307, to amend the Trust Companies Act; Bill No. 308, to amend the Loan Companies Act. These bills have come back from the banking and commerce committee. Bill No. 313, to amend the statute law; the resolution preceding the measure to amend the Judges Act, 1946; Bill No. 267, respecting Indians. Then we will go into supply and call finance, secretary of state and post office.

It being five minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF LABOUR

151. To provide for expenses of the economics and research branch—(formerly under departmental administration), $379,455.

152. Annuities Act, $802,660.

153. Fair wages, conciliation, industrial relations, industrial disputes investigations, including the administration of legislation relating thereto, and for activities *re* promotion of co-operation in industry between labour and management, $330,255.

154. Canada labour relations board, $11,500.

155. International labour conferences, $63,745.

156. *Labour Gazette* and other publications authorized by Labour Department Act, $116,763.

157. To provide for the effective organization and use of agricultural manpower, including recruiting, transporting and placing workers on farms and related industries and assistance to the provinces pursuant to agreements that may be entered into by the Minister of Labour with the provinces and approved by the governor in council, $320,000.

Vocational Training Co-operative Act, 1942—

158. Administration, $37,930.

Expenditures for vocational training under the Vocational Training Co-ordination Act, 1942, and agreements between the dominion and provinces approved by the governor in council, including vocational school assistance, projects for training of persons to fit them for gainful employment, youth training, apprenticeship training, vocational training at secondary school level, foremanship and supervisory training and for training of members of His Majesty's forces and other persons to fit them for skilled armed service occupations and to authorize the Minister of Labour to enter into an agreement with any province on terms approved by the governor in council for such expenditures, as well as to provide for undischarged commitments of previous years—

159. Training payments to the provinces, $3,333,000.

160. Payments to the provinces for capital expenditures for vocational schools, buildings and equipment, $2,250,000.

Government employees compensation—

161. Administration of the Government Employees Compensation Act, $61,510.

Terminable services—

162. To provide for expenses, including authority to continue the regional boards known as "advisory boards labour department" to act in an advisory capacity to the Minister of Labour for the coordination of the work of the various divisions of the Department of Labour and the immigration branch of the Department of Citizenship and Immigration, $45,915.

163. Vocational training for discharged members of Canada's armed forces, including undischarged commitments of previous years, $50,000.

Supply—Health and Welfare

164. To provide the necessary financial requirements to complete activities for the reclocation, maintenance and welfare of persons of the Japanese race in Canada, including provision for undischarged commitments under agreements with the provinces and to continue the appointment of necessary temporary assistance required for the administration thereof, $52,780.

165. To provide for payment to the national film board for educational films for exhibition, $24,000.

166. To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms and other essential industry in Canada when Canadian labour is not available to meet the need; including costs connected with the supervision and welfare of persons already immigrated to Canada under former authorized labour movements and administrative expenses connected therewith, $783,340.

B—Unemployment Insurance Act, 1940—

167. Administration, including expenditures incurred in connection with the activities of the national employment service as delegated by the Minister of Labour in accordance with section 88 of the act (including technical personnel division), $22,043,330.

168. Government's contribution to the unemployment insurance fund, $23,000,000.

169. To provide for the transfer of labour to and from places where employment is available in agriculture and industry and expenses incidental thereto, in accordance with regulations of the governor in council, $200,000.

170. To provide for the payment of unemployment assistance to certain residents of Newfoundland to give effect to the terms of union of Newfoundland with Canada, in accordance with regulations of the governor in council, and such assistance shall be deemed to be a benefit or payment within the meaning of sections 33 and 67 of the Unemployment Insurance Act, 1940, $1,500,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

215. Departmental administration, $859,720.

Health services—

216. National health branch—administration, $128,725.

217. Food and drugs, $704,450.

218. Proprietary or patent medicines, $27,335.

219. Opium and narcotic drugs, $138,295.

220. Quarantine and leprosy, $290,618.

221. Laboratory of hygiene, $559,205.

222. Immigration medical inspection, $899,228.

223. Child and maternal health, $80,030.

224. Public health engineering, $147,410.

225. Treatment of sick mariners, $676,771.

226. Industrial health, $139,915.

227. Civil service health, $221,745.

228. Nutrition, $132,275.

229. Venereal disease control, $39,620.

230. Health insurance studies, $68,241.

231. Dental health, $42,515.

232. Hospital designs, $26,840.

233. Mental health, $86,420.

234. Blindness control, $35,320.

235. Epidemiology, $35,780.

236. Grants to institutions—assisting sailors, in the amounts detailed in the estimates, $2,600.

237. Medical services—Indians and Eskimos, $11,694,839.

238. Civil aviation medicine, $54,880.

General health grants—

239. To authorize and provide for health grants to the provinces upon the terms and in the amounts detailed in the estimates in accordance with regulations prescribed by the governor in council including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year not to exceed a total amount of $34,482,926, $25,000,000.

Welfare branch—

240. Welfare branch administration, $32,815.

Family allowances—

241. Administration, $1,960,952.

National physical fitness—

243. Administration, $74,868.

244. Assistance to provinces, $150,288.

Miscellaneous grants—

246. Canadian welfare council, $12,600.

247. Canadian national committee for mental hygiene, $10,000.

248. Health League of Canada, $10,000.

249. Canadian Public Health Association, $5,000.

250. Canadian National Institute for the Blind, $45,000.

251. L'Association Canadienne Francaise des Aveugles, $6,000.

252. L'Institut Nazareth de Montreal, $4,050.

253. Montreal Association for the Blind, $4,050.

254. Canadian Tuberculosis Association, $20,250.

255. Victorian Order of Nurses, $13,100.

256. St. John Ambulance Association, $10,000.

257. Canadian Red Cross, $10,000.

258. Canadian Paraplegic Association, $15,000.

HOUSE OF COMMONS

Wednesday, June 21, 1950

The house met at eleven o'clock.

EXTERNAL AFFAIRS

Third report of standing committee on external affairs.—Mr. Bradette.

REFERENCE OF CERTAIN ESTIMATES TO COMMITTEE OF SUPPLY

Hon. Alphonse Fournier (Minister of Public Works): By leave of the house, Mr. Speaker, I move:

That items 64 to 84 inclusive of the main estimates 1950-51, approved and reported upon this day by the standing committee on external affairs, be referred back to the committee of supply.

Motion agreed to.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE WITH PREMIER OF BRITISH COLUMBIA

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to table copies, in English and in French, of a letter addressed to me under date of June 6 by the premier of British Columbia respecting the proposed general conference to be held in the autumn of this year, and copies of my reply under date of June 12.

INCOME TAX

CHANGES IN REGULATIONS WITH RESPECT TO RATES OF DEPRECIATION

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, on March 28, 1950, I advised hon. members that there had been representations regarding the regulations covering depreciation, particularly as to some of the rates, and the limitation of the allowance for corporations to the amounts charged in their financial statements.

I promised that careful consideration would be given to these matters, and that the government's decision would be announced in due course. I am now glad to be able to advise hon. members that certain revisions have been made in the regulations, particularly in regulation 1100(4), and that these changes, which were effected by order in council, P.C. 2576 of May 23, 1950, have been published in the *Canada Gazette* of June 14, 1950, part II, Statutory Orders and Regulations.

I now wish to table a copy of the statutory orders and regulations that contain the changes.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MOUNTED POLICE—SECURITY BRANCH—SALARIES

Mr. Fulton:

What is the average yearly salary paid to members of the security branch of the Royal Canadian Mounted Police?

Mr. Garson: The salary paid to members of the special (security) branch of the Royal Canadian Mounted Police drawn from the regular strength of the force and the civil service is in accordance with normal civil service and Royal Canadian Mounted Police pay scale.

PASPEBIAC, QUE., WHARF

Mr. Courtemanche:

1. Was any repair or construction work done to the wharf at Paspebiac, Bonaventure county, Quebec, during the fall of 1949?
2. If so, were tenders called and where were they posted?
3. What are the names of those who tendered and the amount of their respective tenders?
4. Who was awarded the contract, and at what price?
5. Has the work been accepted? If so, by what engineer?
6. Has the work been paid for in full? If so, on what date?
7. Were any extras granted over and above the contract price?
8. If so, in what amount and to whom?
9. Who supervised the work?
10. What was the unit price for each item of the contract?

Mr. Fournier (Hull):

1. Yes.

2. (a) Yes, but not posted; (b) tenders invited from local contractors.

3. Arthur Bujold, $27,058.30; J. Romeo Allard, $28,375.50. (Tender was also asked from Mr. Julien Cavanagh, but he did not submit a price).

4. Arthur Bujold, $27,058.30.

5. (a) Yes; (b) Robert Blais, chief engineer.

6. (a) Yes; (b) final payment made on January 21, 1950.

7. Yes, for additional work.

8. (a) $8,421.74; (b) Arthur Bujold.

9. Alphonse Bellavance (staff engineer).

10. Demolition, $18 per M.B.M.; Flooring, $125 per M.B.M.; Sheathing, $130 per M.B.M.; Floor joists, caps, waling and wheel guards, $200 per M.B.M.; Braces, $240 per M.B.M.; Piling, $1.65 per lin. ft.

HEALTH GRANTS—HOSPITAL CONSTRUCTION

Mr. Thatcher:

1. Has the Department of Health and Welfare received requests from hospital associations asking for changes in the hospital construction grant formula?

2. If so, how many, and what are the names of each association and the change or changes suggested by each of them?

Mr. Martin:

1. Yes.

2. 6.

Saskatchewan Association of Rural Municipalities:

Claimed that the present grant formula restricting federal contribution to $1,000 and $1,500 per bed, with the proviso that the grant shall not exceed one-third of the total cost, is unsuited to the needs of the province in that it requires, for full utilization of the grant, additional bed construction at an annual rate in excess of financial capacity of the province.

Recommended a more flexible formula by removing these specific references to net increase in beds and permitting the matching of provincial grants without restriction in the maximum federal contribution.

Recommended that the range of qualifying expenditures be broadened to include nurses' quarters, nurses' training facilities, laboratories, X-ray departments, and other facilities essential to modern and efficient services.

Saskatchewan Urban Muncipalities Association:

Resolution passed at annual convention of Urban Municipalities Association, and forwarded to Paul Martin on October 19, 1949:

"Whereas under an order in council P.C. 3403, pertaining to the federal policy of grants to hospitals, as recommended by the Minister of National Health and Welfare under section 4B whereby grants are made for increasing the bed capacity, with no provision for auxiliary hospital buildings or replacing of buildings condemned by the provincial department of public health;

"Therefore be it resolved that the Minister of National Health and Welfare give consideration to including in order in council P.C. 3403, section 4B, grants for replacement of auxiliary hospital buildings and buildings condemned by the department of public health as outlined above, and further that the federal government be requested to increase the grants per bed in order to meet cost of construction."

Manitoba Hospital Association:

Recommended that in cases where hospital buildings are demolished and replaced by new hospital construction, grants made under such circumstances include all beds constructed and not net bed gain only.

Requested that the possibility of setting aside some of the grant for training of hospital personnel be explored.

Recommended that grants be made for construction of additional nurses' beds on the same basis as set forth in the regulations for patients' beds, and that in the case of other facilities, grants be made on a square foot basis similar to the provision for health units.

Associated Hospitals of Alberta:

Resolution passed at the 1949 convention of the Associated Hospitals of Alberta, and forwarded to Hon. Paul Martin on November 22, 1949:

"Whereas some hospitals are discouraged from modernizing their hospitals by building auxiliary services or are loath to build to increase the number of beds when the hospital construction grants are to apply only to the net increase in the number of hospital beds;

"And whereas an increase in the number of hospital beds also means an increase in all service departments, including nurses' homes, boiler plants, etc;

"And whereas lack of adequate accommodation for nurses tends to decrease the number of nurses in training and to prevent some hospitals from getting an adequate staff of nurses;

"Therefore be it resolved that we petition the dominion government to extend hospital construction grants to all phases of general hospital construction, and particularly for nurses' home construction."

Maritime Hospital Association:

Resolution passed at the annual meeting of the Maritime Hospital Association, and forwarded to Hon. Paul Martin on September 19, 1949:

"Whereas the federal health plan aims to provide adequate hospitalization for patients requiring it, and

"Whereas it is absolutely necessary to have nurses to care for the patients hospitalized under this plan, and

"Whereas it is impossible for municipalities to pay the complete cost of erecting nurses' residences:

"Be it resolved that the Maritime Hospital Association make representation to the provincial and federal departments concerned with a view to having the present construction grants extended to include construction of any and all buildings necessary for the proper maintenance of a hospital unit and with particular reference to nurses' residences."

Canadian Hospital Council:

Recommended use of the grant for construction of accommodation for nurses in training.

CANADIAN NATIONAL RAILWAYS—NEWFOUNDLAND—ROLLING STOCK

Mr. Higgins:

1. Have plans been made by the Canadian National Railways to purchase any rolling stock for that part of its system situated in Newfoundland?
2. If so, for what rolling stock?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. Yes.

2. Mail cars, 3; Baggage cars, 3; Express refrigerators, 10; Sleeping cars, 6; Automobile cars, 25; Boxcars, 60; Air dump cars, 20; Jordan spreader, 1; 50-ton locomotive crane, 1.

WAGE EARNERS AND UNEMPLOYED, 1931-49

Mr. Jones:

1. What was the estimated total number of wage earners in Canada, in each year from 1931 to 1949?
2. What was the number of unemployed in Canada for each of the above years?

Mr. Mitchell:

1. Number of wage and salary workers in Canada for each year from 1931 to 1949:

1931	2,573,000
1932	2,498,000
1933	2,398,000
1934	2,570,000
1935	2,518,000
1936	2,559,000
1937	2,680,000
1938	2,704,000
1939	2,724,000
1940	2,768,000
1941	2,817,000
1942	3,102,000
1943	3,237,000
1944	3,251,000
1945	3,206,000
1946	3,104,000
1947	3,233,000
1948	3,364,000
1949	3,496,000

The data for the years 1940 and 1942-1945 inclusive are approximations only based on the best available information. All figures refer to June of each year.

2. Number of unemployed in Canada for each year from 1931 to 1949:

1931	440,000
1932	627,000
1933	681,000
1934	524,000
1935	509,000
1936	458,000
1937	327,000
1938	400,000
1939	395,000
1940	450,000
1941	200,000
1942	130,000
1943	75,000
1944	60,000
1945	70,000
1946	126,000
1947	91,000
1948	82,000
1949	103,000

Prior to 1940, the above data only refer to unemployed persons who usually worked for wages and salary. Thus, certain groups of unemployed persons, such as young people seeking jobs for the first time, are excluded. Figures for the years 1940 to 1945 inclusive are approximations based on the best available information. Data for the remaining years are based on a sample labour force survey conducted by the dominion bureau of statistics. All figures refer to June of each year.

MACAULAY, NICOLLS, MAITLAND BUILDING, VANCOUVER, B.C.

Mr. Green:

1. From what persons, firms and corporations were tenders received for alterations for various government departments in the Macaulay, Nicolls, Maitland building, Howe and Hastings streets, Vancouver, British Columbia, as called for by advertisement dated on or about May 12, 1950?
2. To what persons, firms and corporations were blue prints and specifications of the work supplied?
3. What were the amounts set out in the different tenders as the price for doing such work?

Mr. Fournier (Hull):

1. G. D. McLean and Associates Ltd., M. Kampferer; Dawson & Hall Ltd.

2. Dawson & Hall Ltd., Vancouver; Jarvis Electric Co., Vancouver; M. Kampferer, Vancouver; G. D. McLean and Associates Ltd., Vancouver; Nova Electric Ltd., Vancouver; C. J. Oliver & Son, Vancouver.

3. G. D. McLean and Associates Ltd., $21,669; M. Kampferer, $27,741; Dawson & Hall Ltd., $29,800.

ABBOTSFORD, B.C., POST OFFICE

Mr. Green:

1. Has a contract been let for the construction of a post office building at Abbotsford, British Columbia?

Questions

2. If so, to what firm?
3. At what price?

Mr. Fournier (Hull):

1. Yes.

2. Allan & Viner Construction Company Limited.

3. $102,000.

LADNER, B.C., POST OFFICE

Mr. Green:

1. Has the government purchased a site for a post office at Ladner, British Columbia?
2. If so, as of what date, and from whom was it purchased?
3. What was the price of such site?
4. Were any valuations of the site obtained prior to such purchase?
5. If so, from whom, and what were the respective amounts thereof?

Mr. Fournier (Hull):

1. Yes.

2. Purchase of site from Edgar C. Dunning was authorized by order in council P.C. 2583, dated June 10, 1948.

3. $9,500.

4. Yes.

5. (a) Samuel C. Cory; (b) $10,000.

WHITE ROCK, B.C., POST OFFICE

Mr. Green:

1. Has the government purchased a site for a post office at White Rock, British Columbia?
2. If so, as of what date, and from whom was it purchased?
3. What was the price of such site?
4. Were any valuations of the site obtained prior to such purchase?
5. If so, from whom, and what were the respective amounts thereof?

Mr. Fournier (Hull):

1. Yes.

2. Purchase of site from James Leo Monaghan and Albert V. Gay was authorized by order in council P.C. 3133, dated June 20, 1949.

3. $27,000.

4. Yes.

5. (a) James L. Dorgan; (b) $24,000.

SHAUGHNESSY HOSPITAL—TENDERS FOR SUPPLY OF SOAP

Mr. Herridge:

1. Did the purchasing agent for the Department of Veterans Affairs call for tenders for supplies for the Shaughnessy hospital, as follows (a) white soap chips; (b) yellow soap chips; (c) yellow laundry bar; (d) vegetable oil soft soap?
2. If so, who were the successful tenderers, and at what price for each item?

[Mr. Green.]

Mr. Mutch:

1. Yes.

2. (a) Soap chips white: No order placed; (b) Soap flakes yellow: Western Soap Co., Vancouver, $4.35 per 50 lb. bag; (c) Soap, laundry yellow bar: Kavanagh Soap Co., Vancouver, $4.40 per 50 lb. case of 16 oz. bars; (d) Soft soap, vegetable oil: Kavanagh Soap Co., Vancouver, $4.85 per 50 lb. drum.

PRAIRIE FARM ASSISTANCE—FEED GRAIN

Mr. Catherwood:

1. What is the total amount paid by the government for freight assistance under the feed grain policy since the act went into effect, up to and including the year 1949?
2. What is the total amount paid by the government under the Prairie Farm Assistance Act since the act was proclaimed, up to and including the calendar year 1949?

Mr. McCubbin:

1. $134,789,677.37.

2. Gross payments	$116,953,380.21
Less collection of 1 per cent levy	44,999,688.40
Net	$ 71,953,691.81

QUESTION PASSED AS ORDER FOR RETURN

NOTICE OF REDEMPTION OF DOMINION BONDS AND OTHER SECURITIES

Mr. Pouliot:

1. In what newspapers of the province of Quebec has the government given notice, since January 1, 1949, of the redemption of bonds, debentures and other securities before maturity?
2. What other means did the government use for giving such notice?

MOTIONS FOR PAPERS

ALVIN BUILDING, VANCOUVER, B.C.

Mr. Green:

For a copy of any and all valuations obtained by the government on the Alvin building in Vancouver, British Columbia.

BONAVENTURE, QUE., FISHERMEN'S WHARF

Mr. Courtemanche:

For a copy of the specifications in connection with the contract, in the amount of $15,306.50, awarded to Messrs. Fortunat Bernard & Arthur Bujold, in 1949, for the extension of the fishermen's wharf at Bonaventure, county of Bonaventure, Quebec.

Mr. Courtemanche:

For a return showing a copy of payrolls and lists of materials used in connection with the repair work done to the fishermen's wharf at Bonaventure, county of Bonaventure, Quebec, during the month of April or May, 1950.

UNEMPLOYMENT INSURANCE—MRS. OLIVE I. HENDERSON

Mr. Lennard:

For a copy of all correspondence exchanged, during the past four years, between Mrs. Olive I. Henderson, 172 Julian avenue, Hamilton, Ontario, and the unemployment insurance commission and the civil service commission, as well as all correspondence exchanged between the civil service commission and the unemployment insurance commission, during the same period, relative to Mrs. Olive I. Henderson.

NATIONAL FILM BOARD

PROVISION FOR APPOINTMENT OF GOVERNMENT FILM COMMISSIONER, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure respecting the national film board, to define more clearly the purposes and powers of the board; and to provide, *inter alia*, that the board may acquire personal property, patents and copyrights, and enter into contracts for personal services for any purpose necessary for the production, distribution, projection or exhibition of films pursuant to this act; to authorize the governor in council to appoint and determine the salary of a government film commissioner to be the chief executive officer of the board; to provide for the appointment, promotion and salaries of persons to fill positions under the board, and to provide further for the establishment of an account to be known as the national film board operating account and that expenditures made by the board from moneys in the consolidated revenue fund shall not at any time exceed the amount of receipts shown in the account by more than seven hundred thousand dollars or such lesser amount as may be fixed by the treasury board.

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

Motion agreed to.

DOMINION-PROVINCIAL CONFERENCE

QUESTION AS TO DISCUSSION OF CIVILIAN DEFENCE

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to direct a question to the Prime Minister. In view of the rising consciousness in the United States, and in Canada as well, of the importance of civilian defence, is it the intention of the Prime Minister and the premiers of the provinces to discuss this matter at the forthcoming dominion-provincial conference?

Right Hon. L. S. St. Laurent (Prime Minister): The dominion-provincial conference is a conference upon general topics, and I would imagine that we would be discussing all the responsibilities of the several levels of government, and the way in which these responsibilities can be met within the tax dollar.

TRUST COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider Bill No. 307, to amend the Trust Companies Act.

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

On section 1—*Organization.*

Mr. Abbott: This bill, as in the case of the insurance bills, was referred to the banking and commerce committee for detailed examination. The provisions of the bill were approved by the superintendent of insurance. Although I am not a member of the banking and commerce committee, I understand that these provisions received careful consideration there. The amendments are analogous to those made to the insurance act, to provide for some amendments in the investment powers of the bill, and I think they should prove satisfactory to the committee.

Section agreed to.

Sections 2 to 12 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

LOAN COMPANIES ACT

AMENDMENTS WITH RESPECT TO ORGANIZATION, OFFICERS, ETC.

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee to consider Bill No. 308, to amend the Loan Companies Act.

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

On section 1—*Organization.*

Mr. Abbott: A similar procedure was followed with respect to this bill. It was referred to the banking and commerce committee.

Mr. Adamson: The minister is not a member of the banking and commerce committee. That is unusual, because his predecessor was always a member of that committee, was he not?

Mr. Abbott: Speaking from memory I cannot say, Mr. Chairman. Perhaps he was. Of course if it became necessary for me to be

on the banking and commerce committee, it could always be arranged. One of my parliamentary assistants is on the committee. Because there are so many other calls on my time, up to the present it has not been necessary for me to serve on the committee.

Mr. Adamson: Just a matter of convenience for the minister?

Mr. Abbott: That is right.

Mr. Adamson: The former minister of finance was a member of that committee.

Section agreed to.

On section 2—*President, vice-president, chairman of board.*

Mr. Knight: I should like to make a general remark or two with respect to some of the methods employed by those who lend money in small amounts.

Mr. Abbott: Before my friend goes on, may I raise a point of order? This bill does not relate to what are commonly known as small loan companies. It affects only five companies, incorporated under this dominion act, which are under the supervision of the superintendent of insurance. The companies to which this bill relates are not engaged in the small loan business. Their distinguishing characteristic is that they are empowered to lend on mortgages.

Mr. Knight: It happens that the remarks I wish to make apply to companies which are lending money on mortgages. With the permission of the committee I shall proceed for five minutes to develop this subject.

The first point I would make has to do with the misleading advertising put out by those who are lending money. The average man in the street, particularly one who is in urgent need of $100 and cannot get it anywhere except from these people who make small loans, is not usually conversant with rates of interest in tables which would be perfectly clear to a chartered accountant. When these companies say in their advertising that they are prepared to lend, let us say, $100 to a person under certain conditions, they draw up a schedule in which they say that they will lend the sum of $100 and that for this service the borrower will have to pay only the small amount of, let us say, $9 each month for 12 months. That is, if the loan was made on January 1 there would be a payment of $9 at the end of that month; then at the end of February another $9 would be payable. The innocent victim of this type of propaganda, who, I should imagine, thought he was paying eight per cent per annum, actually paid—although I have not figured it out—between twelve and fifteen per cent per annum.

My plea is that legislation should be passed to prevent people from misleading the public in that way. In other words, to put it briefly, when these people advertise that they have money to lend on that basis, they should be made to state clearly in their advertising the amount of interest per cent per annum—note, not just the rate of payment per month, but the interest in terms of percentage per annum.

The second matter to which I should like to refer has reference to money lent on a mortgage, and what I shall say arises from a grievance stated by one of my own constituents. I have looked into the matter and I have found that this grievance represents a fairly general practice. I shall not mention any names, although I am tempted to do so—and I shall do so if the practice continues in my own home town of Saskatoon, from which this complaint came.

This has reference to the borrowing of money for the purchase of a house. In this instance the house was purchased from a perfectly respectable firm, the Toronto General Trust Corporation—and I have nothing to say against them. This lady's lease was expiring, and in a month or so she would have been put out in the street. She went to one of these combined real estate and lending agencies. She had in her possession $2,000 to put down as a cash payment on the purchase of a house, and applied to these agencies for $3,500, the balance of the purchase price, making the total purchase price $5,500. Her job was to get the $3,500 somehow. She could of course obtain it by offering to give a first mortgage to a company that would advance the money.

With that in mind she made a tour of the various agencies in the city. The agency with which she finally did business consented to put up the money and—note this—demanded a bonus of $500 for so doing. So the situation came about that this lady signed a mortgage in favour of that agency for $4,000, on which she pays what I am told is the customary rate of six per cent interest for such a transaction.

She has in her possession a statement signed by a responsible officer of the agency dated March 25, 1948, in the following words:

> Purchase price at $5,500, plus bonus of $500; total $6,000.

She informed me that another agency asked her for a bonus of $700 for similar accommodation. In my view that is a public scandal. Here was a woman who borrowed $3,500 for a perfectly legitimate purpose. I shall be told of course that whether she should sign the mortgage or not was a matter

within her own discretion. But her circumstances, the fact that her lease was expiring, and the further fact that she made her living by keeping boarders, simply meant that she had to sign that mortgage for $4,000 in order to obtain the $3,500. It might be added that her husband is an invalid. The result is that today that woman is paying interest on $4,000 at six per cent. She obtained from the company $3,500, but in addition to paying six per cent on that amount, she is paying six per cent on an additional $500 she never received.

She holds a letter dated April 7 from this same agency in Saskatoon. This appears to be the final word in the matter of closing the transaction—as I shall now close my remarks. This letter states:

> The property is now standing in your name, subject to a mortgage of $4,000 repayable monthly including principal, interest and taxes.

Mr. Fair: What company pulled a steal like that?

Mr. Knight: I say people like this should be exposed, and legislation should be passed by the House of Commons to protect innocent victims from such robbery.

An hon. Member: What is the name of the company?

Mr. Knight: I shall give it. This whole transaction has to do with Saskatoon Agencies Limited. It is registered under that name as a company engaged in handling real estate and lending money to victims such as the one I have mentioned. I have mentioned the name of this company because it was concerned with this particular transaction, but there are others.

Mr. Smith (Calgary West): Mr. Chairman, both the points raised by the hon. member for Saskatoon have nothing to do with the companies concerned in this present piece of legislation. No one will decry more than I an instance such as the one last described; but let us always remember that when a person seeks a loan on real estate the amount borrowed must be kept in mind. Many years ago I had a good deal to do with the lending of money on mortgages. I spent my first year as a law student writing out mortgages by hand—they did not allow us to type them in those days. It was felt then that fifty per cent was a safe lendable value. The view was that to that extent, a loan could be made with reasonable safety but that anything over that amount—and in the instance referred to by the hon. member it was a great deal more—involved taking a much greater risk and must bring a greater return. I will go so far as to say that charge might have been considered outrageous.

It is very easy to rail against lending companies and insurance companies. But having had a long experience with many of them I know there are other sides to the picture. In that area of western Canada from which my hon. friend comes, insurance companies in the lending business—and I am referring to the larger and legitimate ones—did suffer tremendous losses in connection with real estate loans. Fortunately conditions improved, and if they maintained the properties they probably got their money back.

My real point is to say a word—and it is not popular from a vote-catching standpoint to say a good word for a lending company—on behalf of these companies. What I say is said in the light of my own experience. I want to commend the treatment that has been accorded to individuals by some of these loan companies. I agree that in the case of some of these little touches the interest rates charged are almost phenomenal, but that does not apply to the larger respectable loan companies in the dominion.

Section agreed to.

Sections 3 to 11 inclusive agreed to.

Bill reported, read the third time and passed.

STATUTE LAW AMENDMENT

PROVISION THAT CORPORATE CROWN AGENCIES MAY SUE AND BE SUED WITHOUT FIAT

The house resumed from Friday, June 16, consideration in committee of Bill No. 313, to amend the statute law—Mr. Garson—Mr. Dion in the chair.

On section 1—*Agent of His Majesty.*

Mr. Smith (Calgary West): Mr. Chairman, I have not read this bill, which is perhaps my fault, but I take it that it is the bill that was introduced some time ago by the Minister of Justice to provide that government corporations may sue or be sued in the ordinary courts of the country. I want again to make the plea that I have made for the last six years, that we should be able to sue the government in the same way as we are being allowed under this bill to sue a corporation which it controls. I have never heard from the Minister of Justice, or the last two ministers of justice, any real reason why the subject should not be able to sue this government—or any government; because I am not speaking from the political point of view—without the necessity of obtaining a fiat so to do.

I cannot think it means liberty, I cannot see that it is democratic, that anything of that kind should be necessary. On the last occasion the Minister of Justice told us that there was

no necessity for this because the government had not refused a fiat. He was giving information which he had obtained from his deputy, something that he had heard, but I know that fiats have been refused or have been stalled—I use the word in the most respectful sense—so that in the course of getting a fiat a person may become tired and simply let the matter drop.

I can see no legitimate reason why a subject who has been wronged by any government, provincial or otherwise, should have to get a fiat in order to seek redress. This does not apply in connection with our municipal governments. If a city truck runs over me and injures me I can issue a writ, but in most municipalities I would be required to give notice of intention to sue. I am all in favour of that, because the government has agencies in almost every municipality across Canada and I think notice should be given, as is necessary in the case of most municipalities, so that the government could get in touch with its people and have an opportunity of discussing the matter and probably reaching a settlement.

For the subject to have to ask permission to sue is out of date. Of course the thing is based on the old adage that the king can do no wrong. That is the only reason for this silly business of obtaining a fiat. If the king can do no wrong, it is obvious that there is no action.

I am not going to move any amendment. As I say, I have raised this question on previous occasions and I am delighted that the minister has gone as far as he has in the direction of granting complete justice to the subject—or the individual; the latter word is perhaps better, because he does not need to be a subject in order to sue in this country.

Why we are making two bites of the cherry is just beyond me. We should go the whole way, as I think all hon. members believe we should do, and permit the citizen to sue the crown, with the safeguard I have mentioned of giving thirty days' or even sixty days' notice, so that the government, either federal or provincial, may have plenty of time to investigate the matter and probably reach a settlement and thus avoid long and expensive litigation.

I have nothing more to say. I am simply following the course I have taken since I first came here. I can think of no reason why we should continue this antediluvian and outdated idea of insisting on a fiat before the crown can be sued.

Mr. Garson: Mr. Chairman, in spite of the fact that I thought the remarks of my hon. friend were out of order on this bill, because of the generous treatment which was accorded the bill the other day I did not feel that I should be so discourteous or ungenerous as to raise a point of order against him. The bill is concerned with the very thing which the hon. member advocates, the abolition of the necessity of a fiat in so far as crown companies are concerned.

With regard to the use of fiats in actions by individuals against His Majesty, when the estimates of the Department of Justice are before the committee I shall be glad to go into that matter at whatever length my hon. friend wishes. But with your permission, Mr. Chairman, I should like to say just a word or two by way of reply to my hon. friend in connection with this matter of securing fiats.

To listen to my hon. friend, or to read certain criticisms of the fiat system, one would think that the necessity of getting a fiat placed some great and expensive impediment in the way of people seeking justice against the crown. I am sure that the hon. member for Calgary West knows that the Petition of Right Act is a short and simple statute consisting of fourteen sections. I do not know of a judicature act in any other country that is as short and simple. It provides that where John Doe, we will say, thinks he has some kind of claim against His Majesty, he goes to his solicitor, and the solicitor draws up form A, which is set out in the Petition of Right Act. I should like to refer to form A to show how complicated and difficult—of course I am speaking ironically—it is to file; because I defy my hon. friend or any other member of the house to find a simpler form in any statute of any other country in the world.

Mr. Smith (Calgary West): I agree with all that.

Mr. Garson: The form is as follows:

Petition of Right.

In the Exchequer Court of Canada.

To the King's Most Excellent Majesty:

County (or district) of (place proposed for trial) to wit:

The humble petition of—

We will say John Doe.

—showeth that (state with convenient certainty the facts on which petitioner relies as entitling him to relief).

Could anything in the English language be simpler than that? After the conclusion of the statement of facts the form continues:

Conclusion

Your suppliant therefore humbly prays that (state the relief claimed).

That is the great impediment.

Mr. Smith (Calgary West): It is a statement of claim, and has to be drawn just as carefully.

Mr. Garson: Oh, yes, but not more so. When the petition is signed it is taken to the office of the Secretary of State and filed without fee. When the fiat is issued, the Secretary of State upon payment of the court fee of $2, will file the petition in the exchequer court, and then the case is before the court. I make these remarks to place the plain facts of this system before members of the house in order that they may judge whether this method is open to all the harsh criticisms that have been made about it from time to time.

On another occasion when my estimates are before the house I shall be glad to go into this other question which is not relevant under this measure, and draw a distinction on the one hand between this bill, which applies to crown corporations, and the retention, on the other hand of the fiat system so far as individual suits against His Majesty, the government, are concerned.

While I am on my feet, having regard to the fact that it was not necessary for me to make a statement about the principles of this bill on second reading, I think it might be desirable before we begin consideration of the individual sections for me to make a brief statement concerning the principle applicable to all such sections.

In recent years, in the preparation of government legislation to incorporate commercial crown companies, it has been the policy and the practice of the government to include in the respective statutes a provision that the corporation so created could sue and be sued in respect of obligations arising out of the business which it conducted. Examples can be given, such as the Industrial Development Bank Act, the Central Mortgage and Housing Corporation Act, the Government Companies Operation Act—which is a statute applying to a number of government companies, such as the Polymer Corporation; the Canadian Commercial Corporation Act, the Northwest Territories Power Commission Act, and so on. Unfortunately the practice has been followed only in recent years, and there are a number of statutes of older vintage in which no such provision was included. Unfortunately also the wording of this provision in some of these more recent statutory provisions is not as uniform as it might be, and in some cases the judicial interpretation of some of these provisions has not, in our judgment, always appeared to carry out what seemed to have been the intention of parliament.

We are not adopting any new policy or principle, but in order to carry out a principle which has already been adopted by the government we submit the present bill to make the provision uniform for all corporations carrying on commercial business that crown corporations should be suable in the courts without a fiat. The purpose also is to remove any doubts that have arisen in connection with judicial decisions.

The bill passed through the house the other day with such rapidity—and I must thank hon. members for their generous co-operation—that it has resulted in an unintended embarrassment to me. We wanted to have the bill passed at the present session if at all possible, and have been under some pressure in its preparation in order that that object might be accomplished. We were awaiting consideration of one of the sections by the Central Mortgage and Housing Corporation. After second reading of the bill that corporation submitted a change in wording which, after consideration, we commend to the house. I should like to refer hon. members to section 12. I choose this section merely because it deals with Central Mortgage and Housing Corporation, although hon. members will see that the amendments provided in all other sections are uniform with that provided in section 12.

So far as the Central Mortgage and Housing Corporation is concerned, hon. members will see that the relevant words in section 12 of the bill read as follows:

> Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the corporation may be
>
> (a) brought or taken against the corporation, without the governor general's fiat, etc.

In the case of Central Mortgage and Housing Corporation—and the same may be true of some of the other corporations—contracts have been taken in the name of His Majesty as represented by the corporation. Mr. Mansur, head of the Central Mortgage and Housing Corporation, and his legal adviser, Mr. Linkletter, were inclined to think there might be some slight doubt, if the bill were left in its present form, whether the language would apply to instruments which have been taken in that manner in the name of His Majesty. Inasmuch as the whole purpose of this statute is to make this provision uniform in all these crown corporations, and to remove all doubt in connection with every one of them, we have agreed to accept the suggestion that after the word "corporation" in the third line the words "on behalf of His Majesty, whether in its name or in the name of His Majesty" should be added. Therefore I have had an amendment prepared making this language applicable to every section of the act and to every one of the corporations

affected by the bill, in order to make it perfectly clear that instruments taken out in the name of His Majesty through the instrumentality of any one of these corporations shall be covered, and that actions upon them can be launched in the provincial courts without securing a fiat.

There is one slight variation to this wording on page 3, in connection with the Veterans Land Act. There the word "his" instead of "its" is required to be inserted, since the corporation sole in connection with that statute is the director under the act. Therefore I would ask my hon. friend the Minister of Public Works to move this amendment.

Mr. Smith (Calgary West): What is the section?

Mr. Garson: It is section 6.

Mr. Fournier (Hull): I move:

That Bill 313, an act to amend the statute law, be amended by inserting the words "on behalf of His Majesty, whether in its name or in the name of His Majesty," after

(1) the word "Commission" in line 13 on page 1,
(2) the word "Board" in line 25 on page 1,
(3) the word "Council" in line 10 on page 2,
(4) the word "Board" in line 22 on page 2,
(5) the word "Corporation" in line 36-37 on page 2.
(6) the word "Corporation" in line 22 on page 3,
(7) the word "Board" in line 34 on page 3,
(8) the word "Corporation" in line 46 on page 3,
(9) the word "Board" in line 12 on page 4,
(10) the word "Bank" in line 26 on page 4,
(11) the word "Corporation" in line 38 on page 4,
(12) the word "Company" in line 5 on page 5,
(13) the word "Board" in line 17 on page 5,
(14) the word "Corporation" in line 29 on page 5,
(15) the word "Commission" in line 42 on page 5,
(16) the word "Corporation" in line 7 on page 6,
(17) and by inserting the words "on behalf of His Majesty, whether in his name or in the name of His Majesty" after the word "director" in line 7 on page 3.

Mr. Garson: Anticipating that hon. members might be agreeable to this amendment, and for greater clarity in their perusing the bill, I asked the clerk to have some copies run off with these changes indicated in every section, and if hon. members agree we might have these new copies distributed now.

Some hon. Members: Agreed.

The Chairman: Shall the amendment carry?

Mr. Knowles: Had we not better wait until we reach section 6 before moving the amendment?

Mr. Smith (Calgary West): I am not going to delay this legislation very long. Again I want to compliment the minister on what he is trying to do by this bill, because I am very much in favour of it. But to tell me that, when we have a bill loosening certain procedure, I am out of order when I say the bill does not go far enough, surely cannot be correct. Here we are providing that in connection with certain crown corporations a certain procedure shall apply and the necessity for a fiat is removed. We are dealing with the matter of a fiat; that is the substance of the bill, and all I was advocating was that we should go further with the abolition of the fiat and do away with it in connection with actions against His Majesty. I am not asking for a ruling; I am not going to move an amendment, but I did ask why the minister thought the fiat should be retained, and, with great respect, he has not answered. He says he will do so on the estimates, and with that I content myself. If you move that $1,000 should be devoted to a certain purpose, surely an amendment can be moved to increase or decrease that amount. That was what I was suggesting here, though this does not deal with dollars. I was only saying that the abolition of the fiat, which is dealt with specifically in this bill, should be extended, and I submit that what I said was entirely in order under our rules.

Amendment agreed to.

Section as amended agreed to.

Sections 2 to 5 inclusive as amended agreed to.

On section 6 as amended—*Proceedings by and against the director.*

Mr. Smith (Calgary West): Is this amendment simply for greater caution, greater safety?

Mr. Garson: That is correct. Perhaps if I read it slowly as it will read after the amendment has been inserted, hon. members will be able to follow it.

Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the director on behalf of His Majesty, whether in his name —

That is the director's name.

—or in the name of His Majesty, may be

(a) brought or taken against the director, without the governor general's fiat, or

(b) brought or taken by the director, in the name of the director in any court that would have jurisdiction if the director were not an agent of His Majesty.

Mr. Knowles: In this case, then, you are asking to amend further the amended section as it is now printed? The reprint as we have it before us contains the word "its".

Mr. Garson: That is a typographical error. The document the hon. member has in his hands has no significance; it was merely printed for the convenience of hon. members. That word will appear as "his" in the corrected draft of the bill.

Mr. Knowles: The bill in the hands of the clerk contains the word "his"?

Mr. Garson: Yes, because the motion my colleague moved contains the word "his". There is separate provision for that. The difficulty is that in all the other sections corporations are involved. In section 6 it is also a corporation, but what they call in law a corporation sole, because it is the director of the Veterans Land Act and in reference to him one has to use the word "his" instead of "its".

Section as amended agreed to.

Sections 7 to 17 inclusive as amended agreed to.

Title agreed to.

Bill reported, read the third time and passed.

JUDGES ACT

AMENDMENTS RESPECTING SALARIES, TRAVELLING ALLOWANCES, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, by making provision for the salary of one additional judge of the Supreme Court of British Columbia; the salary of one additional county and district court judge for the province of Ontario; the salaries of district court judges of the province of Newfoundland, and for increased travelling allowances to judges of a superior or county court or district judges in admiralty of the exchequer court attending at any place other than that at which or in the immediate vicinity of which they are by law obliged to reside.

Mr. Smith (Calgary West): I am trying hard to keep up with what is going on. What is the substance of this resolution? Probably it has been explained and I have forgotten.

Mr. Garson: This is the annual group of amendments to the Judges Act, to take care, for the most part, of new vacancies which have been created by provincial legislative action. It affects British Columbia, Ontario and Newfoundland. It also provides for a small increase in the judges' per diem expenses.

Mr. Smith (Calgary West): These are routine and are asked for? They have provincial legislation?

Mr. Garson: Yes. As my hon. friend knows, the provincial courts are created by provincial legislation. They have to create these vacancies. We are now taking authority to fill the vacancies which they have created.

Mr. Smith (Calgary West): That has been done?

Mr. Garson: No. We cannot make the appointments until this bill goes through.

Mr. Smith (Calgary West): I mean, they have created the vacancies?

Mr. Garson: Yes.

Mr. Smith (Calgary West): And you are now merely routining them through.

Mr. Garson: We have not only satisfied ourselves that they have created the vacancies, but we have satisfied ourselves, by securing statistics, that there was need for their being created.

Mr. Browne (St. John's West): Mr. Speaker, I wonder if this is the only explanation we are to have from the Minister of Justice.

Mr. Harris (Grey-Bruce): We are only on the resolution. What more do you want?

Mr. Speaker: Order. The motion is that I do now leave the chair for the house to resolve itself into committee of the whole upon this resolution. When the house goes into committee, questions may be asked of the minister. It is not in order to ask questions at this time.

Mr. Browne (St. John's West): May I ask you a question, Mr. Speaker? Is it in order to debate this matter now?

Mr. Knowles: Yes.

Mr. Speaker: Yes.

Mr. W. J. Browne (St. John's West): I should like to make some observations on this resolution, since the minister has not given much enlightenment to hon. members on the part of it that deals with the appointment of judges to the district courts and the salaries for these judges in Newfoundland.

I am glad that the minister has introduced the resolution, but I cannot help wondering why he waited fifteen months to bring it in. The act of union was passed and union was consummated on April 1, 1949. We are in June, 1950, and it is only now that he is bringing in this resolution. I cannot help contrasting his tardiness with the energy and zeal displayed by the Minister of National Health and Welfare (Mr. Martin), who, according to his own report, took every precaution, beginning in the autumn of 1948, to see that family allowance cheques would go to Newfoundland as soon as they could be issued after April 1, 1949.

Mr. Macdonnell (Greenwood): It was before the election.

Mr. Browne (St. John's West): Before the election, of course; and that every old age pensioner would receive an old age pension cheque as soon as the department could manage to get the cheque to him. Their offices were set up and everything went in

wonderful style. Nobody can criticize the Minister of National Health and Welfare for the interest he took in the people of Newfoundland in seeing that these benefits were brought to them as soon as possible. Some people might think that the Minister of Justice was not zealous because he has failed to bring in this resolution until now. But, Mr. Speaker, there is a story behind the news, as they say; and that is the story that I should like to tell.

When Newfoundland was given its first representative government in 1832 we had a system of administration of justice which was much the same as it is now. We had a supreme court appointed and paid for by the British government, consisting of three judges; and we had a system of magistrates and justices of the peace. Today in Newfoundland we have a system of justice under which judges are appointed and paid for by the federal government, and there are magistrates and justices of the peace. There are no other judges in Newfoundland at the present time.

It may be interesting to hon. members to trace briefly the changes that have taken place since 1832. In 1835 they had a vote of the legislature of £500 for a police magistrate in the city of St. John's, which has always been the largest occupied place in the country. In 1838 there was a vote of £600 for two magistrates, and in 1844 one of £900 for three magistrates for the city of St. John's. By that time there were magistrates in other parts of the island. In 1850 we hear first mention of the central district. Although there were three judicial districts—the northern district, the central district and the southern district—the northern district and the southern district were abandoned after a time and the central district was the only one surviving in 1949. In 1859 the chief magistrate was appointed at a salary of £350, with a junior magistrate and a clerk of the court. In 1867, the year of the Canadian confederation, the money was changed from pounds to dollars, and the chief magistrate received $1,616. In 1869 the first act was introduced to establish a district court. I have the act here. I might point out that it was the year in which confederation was first balloted upon in Newfoundland and the party favouring confederation at that time was defeated. The act of 1869 is entitled "An Act to Establish a District Court in the Central District, and for Other Purposes." That act was amended from time to time, and later a second district court judge was appointed. There were two judges at the beginning in the central district court, and two remained down to about 1910. The Harbour Grace district court was dropped in 1933, and so once again there was only one district court, namely, the central district court.

In Newfoundland we have a high regard for those who occupied the position of judge. Judge Conroy was a good lawyer, highly respected, and the father of a distinguished son. Judge Prowse was internationally known as the author of a monumental history of Newfoundland, and his name is a household word in Newfoundland. He was succeeded by Judge Morris, and I had the honour of succeeding him on July 1, 1935. Prior to 1934 it was rare for lawyers to accept appointment as magistrates. As will be remembered, that was the year in which the commission of government took office, and they immediately proceeded to revise and to improve the magistracy in Newfoundland, so that we had some able lawyers accept positions as magistrates, amongst whom were the Secretary of State (Mr. Bradley), the present chief justice of Newfoundland, and the hon. member for Humber-St. George's (Mr. Kent).

Here I should like to pay a tribute to the ability and integrity of the magistrates associated with me since I was appointed in 1935: Magistrates O'Neill, Mulcahy, and White. Magistrates O'Neill and Mulcahy were lawyers. Magistrate White was not a lawyer, but is at the present time serving with distinction as magistrate on Bell island.

During the war, and because of the wide jurisdiction that magistrates were given in Newfoundland, the tendency being for all legislation to confer summary jurisdiction, our jurisdiction was increasing and the number of cases was increasing, so that in one year we had nearly 10,000 civil and criminal cases in a place where there was provision for only one court. We used our offices as courts, and sometimes we had four courts going on at the same time. Anyone who is familiar with our courts will know that we were as busy as any court could possibly be in Canada. There was a great strain upon our magistrates and on the space as well. We had civil and criminal jurisdiction. Civil jurisdiction was only to $200. Criminal jurisdiction was extremely wide, and we heard cases of every kind.

When confederation was first discussed, a delegation came to Canada for that purpose. A set of books was published and released containing an account of the proceedings that took place between representatives of the national convention of Newfoundland and the government of Canada. This was published in Newfoundland, and I obtained a copy. I discovered that on page 56 of part 2 a table was presented, for the benefit of the members of the convention and of the general public,

to indicate how the moneys would be spent in the future. It shows that the salaries of the governor, the chief justice, two judges of the supreme court and the judge of the central district court would disappear from Newfoundland expenditures and would therefore be paid by the federal government.

These terms were accepted, and in the estimates that were introduced by the commission of government for 1949-50 these three items were dropped. When the negotiations advanced another stage in Ottawa the terms of union were signed. Article 30 of the terms of the union reads as follows:

> The salary of the lieutenant governor and the salaries, allowances, and pensions of the judges of such superior, district, and county courts as are now or may hereafter be constituted in the province of Newfoundland shall be fixed and provided for by the parliament of Canada.

In the act of 1949, first session, dealing with statute law and amending the Judges Act, 1946, what do we find? There was provision for the chief justice at an increase in salary of $4,333.33, an improvement in the salary of the other two judges up to $12,000 from $8,000, but no provision was made for the salary of the judge of the central district court. It was unfortunate for me, because I was away on March 31 and did not return until toward the end of April. When the end of April came round, like every other person in Newfoundland who is paid by the government I waited for my cheque, and there was no cheque. I made some inquiries and I discovered that instructions had been sent to Ottawa that I should not be paid any salary. I wrote to the deputy minister of justice, Mr. Varcoe, and I received a letter from him saying that he had drafted a resolution including my salary, but had received instructions from the federal government not to proceed with it. He said he understood that that was at the request of the government of Newfoundland.

Later, when the election was over, I had an interview with the attorney general. He expressed great regret—he was very sorry and almost shed tears at times as he walked up and down his office; he said: "You know, the premier was angry with you because you had taken an action against the commission of government, a terrible thing for a judge to do." Seeing that the attitude of the premier was so hostile, I decided to resign. That was a Friday; on Tuesday I resigned, and on Wednesday I decided to contest the constituency of St. John's West, and made my first public statement. I was hardly off the air before the premier of the country was slandering me, and the next day—

Some hon. Members: Order.

Mr. Fournier (Hull): This is just too much.

Mr. Fulton: It is perfectly parliamentary.

Mr. Speaker: I did not interrupt the hon. member, but I doubt whether his remarks are in order at this time.

Mr. Lennard: Well, they are correct.

Mr. Speaker: The hon. member is personally interested in the matter, and for that reason I did not interrupt him. If he will be brief, I shall allow him to continue with the consent of the house.

Mr. Browne (St. John's West): I shall deal briefly with the proceedings following that. The next day the premier went into the riding, and in five places he slandered me and intimidated the people by saying that if they voted for me, no public money would be spent in the district.

Some hon. Members: Order.

Mr. Browne (St. John's West): I took proceedings against him, abortive proceedings, which have not yet been concluded and which perhaps may now never be concluded.

Mr. Speaker: Order. If proceedings are now pending I do not think the hon. member should continue.

Mr. Browne (St. John's West): I should like to refer to the facts, however. By an accident there was a minister of finance in Newfoundland who was not contesting the election, and when he heard of the matter he was very indignant and paid me the salary which in the ordinary course I would have received; it was at the rate of $5,000 a year. The salary to be voted was the same as the district court judges will receive under federal law, namely, $6,666.66. I have not made any claim for that, but I feel I should draw attention to the injustice that was done. I am not making any complaint, even against the Minister of Justice, at the present time, but I do feel that an injustice was done, whether consciously or not. Hon. members will realize that it is embarrassing and painful for me to bring this matter up. I have not brought it up until now. The reason I am doing it now is that I fear another injustice is going to be done to men most qualified, in my opinion, by training and experience, to be appointed judges in St. John's.

I hold in my hand the new act dealing with the district courts in Newfoundland. The men to whom I refer are the men who served with me. There are two of them. It would be an injustice if these men were penalized, and some defeated candidate, merely because he was a supporter of the Liberal party, should be appointed to these vacancies. As

I say, I hold in my hand the act respecting district courts. It seems that it is now going to cost the dominion government a lot of money because there are to be seven district courts instead of one.

Mr. Garson: Five.

Mr. Browne (St. John's West): Seven, according to this act.

Mr. Garson: If my hon. friend will look at the bill before him, he will see that it provides for five.

Mr. Fulton: We have not the bill here.

Mr. Fournier (Hull): Let the resolution pass and you will get the bill.

Mr. Browne (St. John's West): I have the act respecting district courts. It says:

> Unless otherwise provided by the lieutenant governor in council, Newfoundland is for the purposes of this act divided into seven judicial districts the names and boundaries of which shall be those set out in the schedules to the terms of union of Newfoundland with Canada.
>
> There shall be in and for every judicial district a court of record to be called a district court of the judicial district of (naming the district).

There are seven districts. The English seems to be plain that there are to be seven district courts. They may fill only five of the seven. They may not have enough lawyers to fill the seven, because the majority of the lawyers were not in favour of the present system in Newfoundland, nor were they in favour of confederation.

Mr. Speaker: I would ask the hon. member to relate his remarks to the resolution. The resolution provides for the salary of the district court judges in the province of Newfoundland. I do not think at this time he should refer to appointments that are likely to be made.

Mr. Browne (St. John's West): I hold in my hand a copy of the British North America Act. The two things seem to go together. Section 96 says:

> The governor general shall appoint the judges of the superior, district, and county courts in each province . . .

Section 100 says:

> The salaries, allowances, and pensions of the judges of the superior, district, and county courts . . . shall be fixed and provided by the parliament of Canada.

Section 100 is carried into section 30 of the act of union, and the two go together. This government is going to make the appointments. and this is the only opportunity that is given to me to make recommendations to the government for consideration when they are making the appointments. I claim, Mr. Speaker, to know as much as, if not more than, any other member of this house about this particular subject. I am not very familiar with most of the legislation coming before the House of Commons, but I suggest I am familiar with this subject. May I say the custom was in Newfoundland that when any magistrate was appointed he was sent to me for training.

Some hon. Members: Hear, hear.

An hon. Member: Congratulations.

Mr. Kent: I was not sent to you for training.

Mr. Browne (St. John's West): I exclude, of course, lawyers. They did not need that training. I am referring to laymen.

Mr. Speaker: Order. What the hon. member has said is no doubt true, but I do not see its relationship to the resolution. No doubt he will have other opportunities to make representations on behalf of certain individuals he may know and whom he would like to see appointed to the bench. However, I do not think it is in order to make those representations at this time. This resolution deals only with the salaries of district court judges in Newfoundland and other places.

Mr. Knowles: Just their salaries, not their training.

Mr. Browne (St. John's West): I should like to correct the last statement I made. I was referring to magistrates, who were not lawyers, who were sent to me. Those who did not have training as lawyers were sent to my court in the beginning to see how things were done. Several of them served under me, and I am sure the hon. member for Humber-St. George's (Mr. Kent) is familiar with that fact.

I appreciate the distinction made by Mr. Speaker, and I presume another opportunity will be afforded to discuss this matter. However, I have been forced to resign my position, and I shall have to work in these courts. I look forward to as good a practice as I had before I took on the job of judge, and that is why I am so much concerned about it. I would ask the Minister of Justice to consider carefully getting the best possible appointees when he is making these appointments.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I have a few observations to make about this resolution. I am not a lawyer; I am an ordinary layman, and I represent most of the common people in my riding. I believe there is nothing wrong in the appointment of a judge where population has increased. But in my view we have reached the time when we must start chopping from the top, not from the bottom.

I have no doubt that last year a number of applications were made to the Minister of Justice (Mr. Garson) for an increase in salary. Knowing the Minister of Justice as I do, and in view of the fact that he came from Manitoba and began his work in a small district, I do not believe he favours any one class. At the same time, when representations have been made to him for increases at the top they have been readily obtained.

At this time most of the producers in this country are being asked to take lower prices for their products. It was stated by the hon. member for St. John's West (Mr. Browne) that judges received huge increases in salaries last year. Therefore I cannot see why men who are drawing salaries as large as that of the Prime Minister would be entitled to anything of that kind.

When one stops to consider that there are 365 days in the year, and that from that one must take fifty-two Sundays, and the fact that the judges are allowed thirty days' holiday with pay, and figure out the over-all rate of salary, he finds that it works out at a guaranteed salary of about $65 a day until the age of seventy, at which time there is retirement at a rate of two-thirds of the salary.

Mr. Speaker: Order. May I point out to the hon. member that the resolution makes no provision for increases in the salaries of judges. I would point out further that the resolution does not affect the courts in Manitoba. Perhaps in view of those observations the hon. member would be prepared to reserve his remarks until a later occasion.

Mr. Sinnott: Thank you, Mr. Speaker. I knew that; I was referring to supreme court judges. I must say that in my own heart I feel this is not the time to increase travelling expenses.

Mr. Solon E. Low (Peace River): Mr. Speaker, it is not my intention to discuss at length the merits of the resolution as it stands. I wish merely to point out to the Minister of Justice (Mr. Garson) that there seems to be a serious omission in the resolution as it is worded.

I had hoped that when this measure was brought in it would include provision for the salary of an additional judge in the trial division of the Supreme Court of Alberta. As the minister knows, the population of that province has increased tremendously in the past two or three years, with the result that supreme court judges are very much overworked. As a matter of fact the situation is such that the judges in Alberta cannot take care of the cases on the list. Particularly is that true in the trial division, where many cases have to be postponed for months before they come to trial. Would the minister consider appointing another judge to the trial division of the Supreme Court of Alberta?

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

Mr. Knowles: Is it clear, as implied by Mr. Speaker, that this bill will not provide for any salary increases or any changes in the pension arrangements of judges?

Mr. Garson: That is right.

Mr. Low: Would the minister comment on what I said?

Mr. Garson: Yes. Our practice in connection with the filling of new vacancies created by a province is that we feel a responsibility to the House of Commons not to fill a vacancy of that kind until it can be demonstrated that it is necessary to do so.

With respect to the vacancy in Alberta, to which the hon. member has referred, I believe that in that province an act has been passed creating the vacancy, and that such act is to be brought into effect by proclamation. Representations have been made to us by various bar associations in Alberta and by certain members of the courts there, as well as by the attorney general of the province. In accordance with our usual custom, we have asked the attorney general to supply us with statistics showing the volume of litigation and indicating whether any congestion such as that described by the hon. member is due to the fact that there has been a large increase in volume of litigation or whether it is merely because of maldistribution of cases among the judges, so that some of them have far too much work while others do not have very much. I am speaking from memory now, but some time in March or April my deputy and I both wrote in that connection, but we have not yet been given the information. Not long ago, in the absence of that information, I telephoned to the attorney general of Alberta and asked him whether it would be possible to get this matter finalized so that provision could be made in this bill to take care of a vacancy in Alberta if one needed to be filled. He suggested that he was getting this information for me, but that it had not as yet been assembled. He said that the legislature of Alberta had provided for an increase in the jurisdiction of the district courts so that those courts would be able to handle some of the work now being done by the superior courts. When this arrangement has been completed we will look at the problem with a view to bringing down, if necessary, an amendment next session authorizing us to fill a vacancy in the trial division of the superior court.

Mr. Fulton: The resolution provides for increased travelling allowances to judges of a superior or county court or district judges in admiralty of the exchequer court. I was under the impression that travelling allowances were provided for each year in the estimates. Is there to be a change in the practice of providing for these travelling allowances? Will they now be incorporated in the statute?

Mr. Garson: What my hon. friend is referring to is the amount that is required to meet these expenses, but the rate per day is a statutory provision, and in order to increase it we have to have an amendment to the statute. The increase is not large, and should not attract any great amount of criticism. It is simply to take care of the additional expenses which a judge has to pay for hotel accommodation, and so on.

Mr. Browne (St. John's West): Is the Minister of Justice going to take advantage of this opportunity to explain why he has waited so long to introduce this resolution so far as Newfoundland is concerned?

Mr. Garson: There is not much of an analogy, if I may say so with deference, between the provision for family allowances and the provision for new judges in the bill we are now considering. Once Newfoundland became a member province of the federation the federal law having to do with family allowances became immediately applicable to that province and the payment of those allowances could be commenced right away. I think I have explained two or three times in the course of this debate that we can only fill judicial vacancies which are created by provincial legislative action.

Mr. Browne (St. John's West): This has to do with salaries, not vacancies.

Mr. Garson: The British North America Act provides that the provincial legislature shall create the provincial courts, and this is a provincial court. We could not take any steps to fill a vacancy in Newfoundland until there had first been a legislative enactment of the new province of Newfoundland.

Mr. Browne (St. John's West): There was no vacancy on April 1, 1949.

Mr. Garson: It was impossible at the last session of parliament to bring down a bill of this sort. Rather than inflict several amendments to the Judges Act upon the house during a session, as a rule we try to gather together all the provisions that are required and bring them down in one bill. In the case of Alberta these negotiations were going on for some time—

[Mr. Garson.]

Mr. Browne (St. John's West): Stick to Newfoundland; never mind Alberta.

Mr. Garson: So far as Newfoundland is concerned there was no hardship created by the fact that these vacancies are not being filled, because the existing Newfoundland courts are functioning at the moment.

Mr. Browne (St. John's West): They were functioning in April, 1949.

Mr. Garson: As soon as this bill passes we shall be in position to fill the new vacancies which have been created, as my hon. friend correctly says, by the Newfoundland act of last December. Then the newly appointed group of judges will take over and from that time on will exercise the jurisdiction conferred on them by the new provincial act.

Mr. Browne (St. John's West): That plausible explanation is not good enough. It is a weak and miserable explanation. What I drew to the attention of the Minister of Justice, and what he ought to know, is that there was a district court act in effect on April 1, 1949 and that a resolution of this kind was drafted by Mr. Varcoe, the deputy minister of justice, and withdrawn, I presume on the minister's instructions. A resolution was prepared for judges of the central district court and the right to pay his salary, as was provided for in the terms of union and in the documents submitted to the Newfoundland convention. Why was the position of judge of the central district court dropped from that resolution? That is what I want an explanation of and it has not been given.

Some hon. Members: Carried.

Mr. Browne (St. John's West): Justice is just as important as national health and welfare. Whether it is a judge who is suffering or some other individual, justice should be done. The minister is entrusted with a responsible position, and I am asking him why that resolution was altered.

Mr. Garson: I should be delighted to help my hon. friend if I possibly could, but I am sorry I have no personal knowledge whatever of the matter he is referring to. I shall be delighted to take it up with my deputy, and either give the hon. member privately the information he is seeking, or bring it before the house, if he so wishes. I think I should point out that he is not quite correct when he says that the district court act was in effect in April, 1949.

Mr. Browne (St. John's West): On a point of order, I did not say that this district court act was in effect, because it was passed only

in December, 1949; but there was an act passed in 1869 which was still in effect in April, 1949.

Mr. Garson: What we are discussing here is the filling of a vacancy created by the provincial legislature. What the hon. member is talking about, as of April, 1949, is not a court which was created by the province of Newfoundland. We have authority under the British North America Act only to fill vacancies in courts which have been created by the legislative action of some province. What the hon. member has been saying with regard to the situation in April, 1949, quite apart from any other qualities it may have, is completely irrelevant to the matter now under discussion.

Mr. Browne (St. John's West): I submit that it is not irrelevant; it is perfectly relevant. First, there was a district court act in effect on April 1, 1949. There was a district court and there was a district court judge. There was provision in the terms of union that his salary should be paid from federal funds, and it was not done. What has the Minister of Justice to say about that?

Mr. Abbott: Nothing.

Mr. Browne (St. John's West): I want to know what he has to say about it. He is evading the question. There is no use talking about an act passed in December, 1949.

Mr. Garson: I have told my hon. friend that I have no personal knowledge of the matters that he is discussing.

Mr. Browne (St. John's West): Why haven't you? It is your job.

Mr. Garson: I have said that I shall be very glad to look into them, and if he wishes the matter further ventilated on the floor of the house, I shall be delighted to ventilate it for him—

Mr. Martin: We have enough ventilation.

Mr. Garson: —on the estimates of the Department of Justice. I do not think it is proper that we should be talking about a totally different court that was functioning in April, 1949, on a resolution concerning a bill which has to do with filling vacancies in respect of a statute passed in December, 1949.

Mr. Browne (St. John's West): I gave the minister the opportunity to reply, and I think everyone will see that he has not faced the question.

Mr. Knowles: A few moments ago there was a brief interchange between the hon. member for Kamloops and the Minister of Justice as to the travelling allowances referred to in the resolution. I thought I heard the Minister of Justice say that the amount of money required for travelling allowances was included in the estimates and was voted annually. I should like to point out to him that there appears in the estimates for our information an item covering the Exchequer Court of Canada, judges' salaries, including district judges in admiralty and travelling allowances; but that item is statutory.

Mr. Garson: That is right.

Mr. Knowles: We do not vote it. The amount is fixed. Therefore it seems to me that the question of the hon. member for Kamloops should be answered. To what extent and by what amount are travelling expenses being increased in the statute?

Mr. Garson: I think my hon. friend is raising the same point of order that he did on a previous occasion, namely, whether any disclosure should be made at the resolution stage of the amount of money involved in a money bill. I am certainly not going to be inveigled into a long discussion of that point on this occasion. The proposal here is to increase judges' travelling allowances by $2 per day. That is the amount. It may be improper for me to disclose it at this stage, but that is the information my hon. friend is seeking.

Mr. Coldwell: What is the present allowance?

Mr. Garson: The present allowance varies, depending upon whether the place of attendance is or is not a city. It is $10 if it is a city, and $6 for other places. That is the main distinction. You will see the refinements when the bill comes before the house.

Resolution reported, read the second time and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 316, to amend the Judges Act, 1946.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read a second time? Next sitting of the house?

Mr. Garson: It is very simple.

Mr. Knowles: If it is very simple there is no harm in letting it stand over.

Mr. Garson: It is a routine bill.

Mr. Knowles: Next sitting. Let us obey the rules once in a while.

Mr. Speaker: Next sitting of the house.

Indian Act

INDIAN ACT

CONSOLIDATION AND CLARIFICATION—BAND FUNDS AND EXPENDITURES, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the second reading of Bill No. 267, respecting Indians.

He said: Mr. Speaker, at confederation, pursuant to section 91 of the British North America Act, Indians and lands reserved for Indians and the administration of Indian affairs, which had been under the management of the several provinces, came under control of the parliament and government of Canada. Prior to 1876 there were several acts with respect to Indians which were consolidated in that year, and since then there has been only one Indian Act and one Indian administration in Canada.

The last complete revision of the Indian Act was in 1880, a biblical life span ago, and while it has been amended from time to time, it became increasingly apparent in the light of present day conditions and the stage of development of the Indians that many provisions of the present act were outmoded and did not sufficiently provide the framework within which the needs and aspirations of our Indian population could best be met.

The scope of Indian legislation, past and present, covers many subjects, dealing as it does with practically the whole life of the people living on Indian reserves, including a number of nomadic groups scattered throughout the country, and numbering in all approximately 136,000 at the present time. Here I might mention that the popular conception that the Indians are disappearing is not correct. Actually they are increasing, and during the past decade the rate of increase has been about one and one-half per cent per year. Without taking up too much time it is only possible to touch lightly upon some of the more important subjects covered in the bill, such as band or tribal membership; the selection, purchase and management of Indian reserves; the lease and sale of resources for the benefit of the Indians; the management of Indian trust funds; the administration of estates; the education of Indian children and adults; the election of chiefs and councillors and their powers, and many other related matters.

In recent years considerable thought and study has been given to the problems of the Indians by parliament, the government and various groups, including of course the Indians themselves, throughout Canada. It will be recalled that in 1946 a special joint committee of the Senate and House of Commons was appointed to examine and consider the Indian Act and to report on Indian administration in general. During the sessions of 1946, 1947 and 1948 briefs were received and evidence heard by the committee from representatives of Indian organizations and bands, departmental officials, and other groups and individuals interested in the welfare of the Indians.

I should like to compliment the committee on the fulness of the examination, the wide range and diversity of views and outlook which received attention, and the constructiveness of the recommendations made. The recommendations of the committee, together with the voluminous record of evidence and briefs, have been of great value in the preparation of this bill to give effect to the changes considered necessary to meet the needs of Indians today. If the house will permit me, I should like to mention particularly the joint chairmen, the hon. member for Essex West (Mr. Brown) and the Hon. William H. Taylor, who, representing the Senate, succeeded the late Hon. J. Fred Johnston; and the late John R. MacNicol, all of whom made the Indians' case their own.

In considering the whole question of Indian legislation it must be remembered that there are a great many Indian tribes widely scattered throughout Canada, speaking different languages, all differing in racial and cultural backgrounds, and in various stages of economic and social development.

In view of these varied and diverse Indian interests, a comprehensive Indian Act has to be broad enough to accommodate the different Indian groups and communities. It was thought therefore that it would be only fair to give the Indians an opportunity to consider the bill, before its enactment into law, as intimated by the Prime Minister on May 5. This has been done, and the representations that have been received from Indian organizations and bands have been given very careful consideration by the government. May I also interject that we are continuing to receive representations, and no doubt will continue to receive them after the bill is passed. I want to assure the house that all these representations will be brought to its attention next session so that any appropriate amendments may be made.

One of the most difficult problems with which Indian administration has been faced is that of determining who is and who is not an Indian. This is a matter in which the Indians themselves are vitally concerned. The present definition of "Indian" has been statutory since 1876, and it was felt that it was not sufficiently clear. In order to clarify the ambiguity, the committee recommended a new definition, and also the revision of existing band membership lists. The committee also recommended that public moneys

appropriated to promote the welfare of Indians should only be spent for the benefit of persons who are legal members of an Indian band. These recommendations have been kept in mind in preparing the bill.

The definition of "Indian" is clarified and made more restrictive. Provision is made for the setting up of an Indian register, in which eventually all Indians will be recorded. Provisional membership lists for approximately eighty-five per cent of the Indian population have been received and are being scrutinized. In keeping with the committee's recommendation that only persons who are in fact Indians should live on reserves and receive moneys appropriated by parliament for the welfare of Indians, provision is made to exclude quarter-bloods born of marriages entered into after the coming into force of this act. No one of quarter-blood status at present living on a reserve would be affected; this would apply only to those children born of marriages contracted after the passing of the act upon reaching the age of twenty-one years.

It is hoped that by clarifying the definition of "Indian", setting up an Indian register and excluding those who are predominantly of non-Indian blood, many of the causes of the complaints that have been voiced by Indians over the right of certain persons to be members of a band and reside on a reserve will be removed. This act, however, will not adversely affect anyone entitled to protection under the present act, and sympathetic consideration will be given to any person whose residence on a reserve has been accepted generally by the band.

The problem of the Indian and of his land, covering as it does every province of Canada, is one of the major responsibilities of the department, and one in which the Indians themselves are vitally concerned. Provision is made in the bill for simplifying and clarifying the procedures to be adopted with respect to the management, surrender, leasing and disposal of Indian reserves and surrendered lands, and to give the Indians, through their elected band councils, greater control over the reserves upon which they reside. These provisions are based upon past experience and present conditions, and are designed to give adequate protection and also provide for the granting of certificates of possession and occupation to individual Indians. Likewise the provisions of the present act dealing with the management of Indian moneys have been simplified, and greater control given to the band council in the expenditure of band funds. The existing provisions with respect to the administration of estates have been completely revised.

Under the present act there are two systems of electing band councils, the one-year and three-year systems for bands in different stages of advancement. It was thought desirable to provide a uniform system of electing chiefs and councillors which would meet the general requirements of Indian bands in all areas in Canada, and by regulation to accommodate varying degrees of social, economic and political development. The bill provides for this. In keeping with the view that Indians should be given every opportunity to participate fully in local affairs and assume greater responsibilities, provision is made for extending the powers of the band council to bring them more into conformity with those ordinarily exercised by municipal authorities.

The exemption from taxation of real and personal property held by Indians on reserves has been modified so that it will not apply to the personal property of Indians ordinarily resident on reserves, other than veterans of the first and second great wars and their wives, who execute a waiver under an amendment to the Dominion Elections Act, 1938; otherwise the exemption from taxation stands as it has stood since this provision was enacted in 1876.

This provision is complementary to the amendment to the Dominion Elections Act passed by the house the day before yesterday. It leaves the matter of voting in federal elections entirely to the voluntary choice of the Indians.

It is proposed to apply this only to personal property; the real property on the reserve is held in trust by the crown and does not belong to the individual Indian, but is held for the use and benefit of the band or community as a whole, and it is felt that such property should not be taxed, as the individual Indian has only an occupational interest in the land.

It may be of interest to note that the Indian Act of 1869 was entitled "An Act for the Gradual Enfranchisement of Indians." At this time it was apparently thought that Indians would become readily absorbed into the general community, and provision was made for any qualified Indian to attain full citizenship by applying for enfranchisement. Since then the way has been open for Indians who have sufficiently demonstrated their ability to maintain themselves off reserves to attain all the rights and privileges enjoyed by other citizens of the country. The procedure is by order in council. Since yearly records were established in 1918, more than 5,000 Indians have sought and received enfranchisement.

Indians can be enfranchised either as individuals or by entire bands on their own application or in certain circumstances, and subject to adequate safeguards, on the initiative of the government.

Provision is made for the individual Indian to be enfranchised with or without his lands. The usual practice is for the Indian to dispose of his lands to a member of the band. Where a whole band is enfranchised of course the land goes with it.

There is only one case of an entire Indian band being enfranchised, and this was in the case of the Wyandots of Anderdon in southwestern Ontario, who were enfranchised on their own application in the 1880's. The records indicate that this experiment was a success and that the enfranchised Indians took their place in the general community without ill effects and in most cases with beneficial results. The provisions in regard to enfranchisement, while retained as to principle, have been improved for the purpose of facilitating enfranchisement for Indians.

The underlying principles of Indian legislation through the years have been protection and advancement of the Indian population. In the earlier period the main emphasis was on protection. But as the Indians become more self-reliant and capable of successfully adapting themselves to modern conditions, more emphasis is being laid on greater participation and responsibility by Indians in the conduct of their own affairs. Indeed, it may be said that ever since confederation the underlying purpose of Indian administration has been to prepare the Indians for full citizenship with the same rights and responsibilities as those enjoyed and accepted by other members of the community. This aim has not been lost sight of in the preparation of the bill.

The ultimate goal of our Indian policy is the integration of the Indians into the general life and economy of the country. It is recognized, however, that during a temporary transition period of varying length, depending upon the circumstances and stage of development of different bands, special treatment and legislation are necessary.

At the same time it is not claimed that the bill will provide an immediate solution to all the problems of the Indians. The bill is what it purports to be, a revision of the Indian Act based on an appraisal of conditions as they really are and a re-examination of the provisions of the present act in the light of these conditions, a bill which modernizes and improves existing legislation.

If one had been expecting an immediate assimilation of the Indians into all phases of Canadian life, all that would have been needed would be to repeal the Indian Act, but so long as we have Indians requiring the assistance of the government of Canada in the conduct of their affairs, an Indian Act is necessary to give the government the required statutory authority to expend public money and to do other incidental matters.

However, we have provided for the present and future requirements of the Indian people by such measures as old age allowances, greater facilities for education such as I detailed to the house last week, and now that the vote in federal elections has been extended to Indians, we hope that increasing numbers of them will take advantage of it and that the business of the Indians will receive additional consideration through elected members in the house representing them. Aside altogether from the desirability of having everyone in Canada vote, this will have the great advantage of leading to more widespread attention to Indian affairs and better administration.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I am glad that a bill to revise the Indian Act has finally come before parliament, but I am sorry it has come in at this time in the session, when, in my opinion, there is no time to give it the consideration which it should have. Moreover, since its introduction some two weeks ago, and its first reading—the motion today is for second reading—there has not been sufficient time for the Indians across the country to consider the provisions of the bill, to study them and to make recommendations as a result of that study.

The Indians throughout Canada, a number of us here in the house, and other persons and associations throughout Canada who have been interested in the Indians and their welfare and the improvement of their situation generally, have been pressing for several years for a revision of the Indian Act.

The minister gave something of an historical review of what has occurred in that respect during the past five or six years. In 1945 we had a full day's debate on Indian affairs as a result of a resolution I moved that the old age pension should be extended to the Indians. At the end of that day's debate the then minister, Mr. Glen, announced that a full-scale revision of the Indian Act would be undertaken, and that a committee of the house would be set up in the following session to get that work under

way. As a result of that undertaking a joint committee of the other place and of this house was set up in 1946. It held sessions throughout that year, and also in 1947 and in 1948. As a result of that study the committee made a draft revision of the Indian Act, and submitted that draft in 1948. That was two years ago. Apparently it has taken the government two years to revise the draft act which was submitted by the committee, and to bring in the present bill.

In view of this long delay it would seem that the government did not consider it a very urgent matter that the Indian Act should be revised. I fail to see why now, at the very end of the session, they should suddenly consider it very urgent to get this bill through without full consideration being possible, either by the Indians or by the members of this house.

At the beginning of this session it was indicated in the speech from the throne that this revision of the Indian Act was to be introduced this year. Subsequently several members of the house, including myself, urged that the bill should be introduced early in the session so that the Indians would have an opportunity to know what the provisions were, and to make recommendations in connection with them. That action was not taken. Instead of the bill being introduced at the beginning of this session, as I believe it should have been, so that there would have been ample time for all of these things to be done and for this bill, if necessary—and I this it is necesary—to be considered by a special committee of the house where detailed study could be given to its various provisions, the bill is introduced at the end of the session, when we are all rushing to get the estimates through and to finish the session before the end of this month.

An hon. Member: By the end of this week.

Mr. Harkness: Somebody says "this week". Apart from that altogether, certainly nearly everybody here is hoping that the session will close at the end of the month. That does not give the time required for proper study of this bill by this house and by the other place, and particularly it does not give the opportunity, which should be given, for Indians across the country to study the bill and make their recommendations.

In his statement this morning the minister said that the Indians had been given an opportunity to consider the bill. In my opinion a statement of that kind from the realistic point of view is a joke. It is of course no joke so far as the Indians are concerned that that position should be taken. But the bill which was given first reading two weeks ago was not printed until a day or two after that. I think it finally came out on the ninth or tenth of the month. Copies were then mailed out. I am sure there are many bands of Indians in this country that have not yet received copies. With regard to the particular bands to which copies were sent, I think they were mailed to the superintendents as well as to the agents. There certainly has not been a wide enough distribution of the bill or anything like sufficient time for the Indians, most of whom, as hon. members know are illiterate or semi-literate, to comprehend all of its provisions, or to send in any reasonable recommendations in connection with them.

We are now on second reading of the bill, and to the extent that second reading means approval of the general principle that the Indian Act should be revised, I think we are all in agreement. We have been pressing for that; we want the act revised. However, this particular bill—in other words, the revision which has been put before us—contains a large number of things which Indians across the country, many of us here, and other people who have been interested in the subject, do not approve. In short, this is not the bill which it was hoped would be introduced. It does not provide for many of the reforms and improvements which it was hoped would be covered by the new bill when it was introduced.

Seeing that that is the situation I hope that the government will not press second reading through to a conclusion. I hope that when we have had the debate today it will be adjourned and the matter left there and brought up immediately at the beginning of the next session; because I am convinced that it is not reasonable to push this bill through at the present session.

It seems to me that giving second reading to this bill at the present time would not only indicate that we want a revision of the Indian Act; it would indicate that this house has given approval in general to the terms of the present bill, and there are many of us here who cannot do that. Many of us who have been most anxious for a revision of the act cannot subscribe to many of the provisions of this bill. I repeat that I hope the government will not press the measure through, but will allow the matter to stand over until next year, and in the meantime hear the representations of the Indians across the country, and bring in a bill embodying a good many of the recommendations which are made. In other words, give us a more satisfactory bill. Someone says that the

act can be amended afterwards; but I have found that the procedure of having acts amended is always difficult.

This is the first time the act has been revised in toto since it was passed about seventy years ago. Under the circumstances I suggest that after this long period of three-quarters of a century without any major revision, we should do a thorough and complete job now, and not talk about bringing in further amendments next year or the year after to cover up deficiencies in the bill.

This is all the more necessary in view of what was said by the Prime Minister (Mr. St. Laurent) on May 5 in answer to a question put by the hon. member for Lake Centre (Mr. Diefenbaker) as to what means were to be given to the Indians to make representations in regard to the bill. At that time the Prime Minister made this statement, as reported at page 2205 of *Hansard*:

> The department felt it had all the information required for the drafting of the legislation, and that it would be desirable that the bill be given first reading and be distributed, and then that a sufficient lapse of time be allowed so that interested chiefs and other members of their bands may see what it contains and make representations.

I draw attention particularly to the suggestion that a sufficient lapse of time after first reading be allowed so that the interested chiefs and other members of their bands might see what the bill contained, and make their representations. The plain truth is that sufficient time to do that has not been allowed. Many Indians have not seen the bill and have not been able to study it and make intelligent representations in respect to it. The Prime Minister added this:

> Of course it is legislation in the interests of the Canadian nation, but more particularly for the Indians themselves. If it appeared from their reaction to the bill that they would prefer not to have it adopted at this session but rather to have further discussions with them and further consideration of the legislation, their views would be given sympathetic consideration.

I do not think there is any question that the Indians would prefer to have this bill deferred until the next session of parliament so that they can study it and make representations.

I have received a considerable number of letters and telegrams indicating that that is so. I should like to read a few excerpts from some of them to show the reaction to this bill and the evident effort to push it through hastily at this session. The first of these is a copy of a letter addressed to the minister by Mr. John Laurie, secretary of the Indian Association of Alberta, in which he says this:

> We are aware that it is pressing legislation. We are also aware that it seems to have taken almost two years to the day to frame this bill, and that two weeks, which includes mail transit, is rather short for almost illiterate Indians to discuss, let alone comprehend, its terms.
>
> May we, therefore, urge that we be given assurance that we shall have an extension, even if the bill must be set over for second reading until next session.

At the same time I received a letter, dated June 13, from Mr. Laurie in connection with the bill, in which he said this:

> Just got a copy of bill today. Cannot possibly make decent study in two weeks.

Of course he was not allowed two weeks; he was allowed only about nine days. It continues:

> Sections of this bill are straight communist dictatorship, without elements of decent respect for a human being. Sections 5 to 16 inclusive damnable, especially 12 (a) (iv).

Mr. Speaker: Order. I do not think the hon. member should read letters of the kind. He is here to express his own opinion and not those of others. It is not customary to read such letters.

Mr. Harkness: This is a letter from the Indian Association of Alberta, representing practically all the Indians in that province. If there is anything which could be germane to the discussion, then I think it would be the opinion of these Indians.

Mr. Speaker: Order. The house has a bill before it for consideration. It is for hon. members to express their opinions on the bill. The members must decide whether the bill is to be enacted or not.

Mr. Harkness: Mr. Speaker, as I was attempting to establish, the Indians of this country are not satisfied that they have been able to make the representations they were led to believe by the Prime Minister they would be permitted to make. In his statement he said that if they were not satisfied the bill would not be pressed. The letters I have attempted to read indicate the reaction of the Indians to the Prime Minister's statement:

> If it appeared from their reaction to the bill that they would prefer not to have it adopted at this session but rather to have further discussions with them and further consideration of the legislation, their views would be given sympathetic consideration.

I am indicating by these letters the reaction of the Indians.

Mr. Speaker: I did not stop the hon. member immediately, but allowed him to proceed at some considerable length. May I refer to Beauchesne's third edition, citation 265, which I have quoted on other occasions in the house, and which states:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting

on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Mr. Harkness: Mr. Speaker, I must say that ever since I have been here hon. members have been reading letters in every debate.

Mr. Speaker: The hon. member is correct in that, and it was because I had that in mind that I gave him considerable leeway. But, having done so, may I now ask him to express his own views on the bill?

Mr. Harkness: Mr. Speaker, all I wish to say is that I have these letters and telegrams, and so far as I can determine from them the general reaction to the bill by the Indians in Alberta is extremely hostile. According to a letter I received this morning, the only Indians who have had time to study the bill at all have been Blood Indians. The information I get is that they are highly incensed over the bill, and the general opinion among them is that more resentment has been stirred up by the apparent intention to push the bill through without hearing their representations than has arisen on any other occasion in the last fifty years.

In addition to the reaction of the Indians in Alberta, articles appearing in the press indicate that there is a considerable degree of resentment among Indians in all parts of Canada. I do not think there is any doubt that they do not want the bill to go through in its present form. They want to have an opportunity to study it and to make representations. I say we should have regard to their wishes in the matter.

I do not think there is any provision against reading a press dispatch in connection with a matter of this kind.

Mr. Speaker: That would come within the same category as the reading of letters. The citation which I read referred definitely to articles in newspapers.

Mr. Harkness: This does not express an opinion; it is just a straight news item.

Mr. Speaker: Perhaps I will allow one.

Mr. Harkness: I clipped this from the Montreal *Gazette* of this morning:

Sixty Indian delegates ask act's deferment.

Ottawa, June 20—Sixty delegates of the North American Indian Brotherhood—some in tribal costume—met Citizenship Minister Harris in the parliament buildings tonight to seek deferment of the new Indian act.

They placed before the minister a petition asking parliament not to enact the Indian bill "in view of the fact that many of the clauses are too detrimental to the best interests of the Indians."

The petition was adopted today in resolution form by the sixty delegates in a hastily called convention held here when the brotherhood received word that the government had introduced the bill, product of three years of committee study of Indian affairs, in parliament.

The delegates, who will hold another session here tomorrow, came from all provinces except Manitoba, Saskatchewan and Alberta. They said delegates could not come from those provinces because of western flood conditions.

What I have said and what I have been allowed to read I think indicates the attitude of the Indians. In view of the statement of the Prime Minister, and the fact that the Indians are apparently opposed to having this bill go through at the present time in its present form, I think the government, as I suggested before, should allow the debate to be adjourned and let the bill stand until next session. If the government presses through the second reading of the bill, then I think the clause by clause study should be deferred. I do not think the majority of us here have been able to give sufficient study to the bill to be in position to consider it properly in committee of the whole.

I am not going to risk being called to order again by referring to specific clauses of the bill, but I should like to say something about what is contained in the bill and to indicate some of the things which I think are wrong with it.

Sections 5 to 16 deal with the definition of Indian, and provide for the registration of Indians. I think these sections will prove particularly troublesome. They appear to indicate an arbitrary determination by legislation of the question who are Indians or who will be Indians in the future. It would exclude a considerable number of persons who have always considered themselves as Indians and who were considered by the bands to be Indians.

This brings up the whole matter of the Macdonald report which was issued in Alberta some years ago. The department undertook to remove from the reserves a considerable number of people who had been living there all their lives and who regarded themselves as Indians. Several hundred people were excluded from the reserve, and in many cases from the only life they had ever known, and from any chance of earning a livelihood. There was much complaint, and the government appointed Mr. Justice Macdonald as a royal commissioner to inquire into the whole matter and make recommendations. Mr. Justice Macdonald went up into the north country where most of these people lived and heard representations from the Indians, from departmental officials and so forth, and then submitted his recommendations. One recommendation was that the majority of the people affected be reinstated to Indian status, but the report was not acted

upon. A small number of these people were readmitted to Indian status, but the great majority were not.

These people consider that an injustice has been done to them and they keep bringing up the question. It was brought up before the joint committee on Indian affairs. It now appears that under these sections of the bill the whole question is to be settled arbitrarily, and these people are excluded and will continue to be excluded. It does not seem to me to be a just and reasonable way of dealing with this problem. It seems to be only one of many problems which are being settled arbitrarily and unjustly by the provisions of this bill.

Then there is a provision that persons who have received half-breed land or money-scrip, and their descendants, are to be denied Indian status. At the time of the Riel rebellion many people who were more or less pure blood Indian, or at least mixed blood; many people who were living with the Indians and for all practical purposes were Indians, took half-breed lands or money-scrip. They then sold it to unscrupulous whites for practically nothing. In many cases they were encouraged to take this scrip so that some white man could get possession of land for very little. Many of the descendants of those people now live in the Indian bands.

There has always been great difficulty in determining whether a man's grandfather or great-grandfather took the scrip, and that difficulty still exists. It was on this basis that a lot of people in northern Alberta who were dealt with in the Macdonald report have been excluded from band membership. It is apparent that the provisions of these sections would exclude from band membership a considerable number of people who have been brought up as Indians, who have lived as Indians all their lives, and who know no other way of life. These people could not be reasonably happy in any other form of life. This is a matter which needs more study and consideration.

Another provision is that the illegitimate children of male Indians shall be excluded from band membership and denied Indian status. This brings up the question of what is illegitimacy. In the past a large number of Indians have not considered it necessary to get a marriage certificate and go through a marriage ceremony according to the white man's custom and law. There has always been a large number of Indians who have married according to the old native custom, and in my opinion those marriages should be looked upon as just as legitimate as any other. It is not realistic to expect an Indian to secure a marriage certificate as a white man would and go through a marriage ceremony, and his children should not be considered illegitimate. Whether or not that will be the effect of this bill, I do not know. Without a careful definition of illegitimacy, certainly this provision will cause a great deal of hardship among Indians and Indian children.

I should like to deal briefly with the provisions of the bill concerning liquor. As all hon. members probably know, up to the present time liquor has been completely prohibited so far as Indians are concerned. The bill prohibits the possession or consumption of liquor on reserves. Any Indian found in an intoxicated condition on a reserve is subject to fine or imprisonment. On the other hand, where bars and beverage rooms exist, Indians are allowed to enter such premises to drink liquor. What the bill actually provides is a compromise between complete prohibition and the laws governing the consumption of liquor as applied to the white population. In my opinion it is an unworkable compromise. From the practical point of view nothing but trouble will arise from it, and it will be impossible of just enforcement. So far as the Indian population is concerned, it seems to me that you must have either one thing or the other. There must be complete prohibition; otherwise Indians must be put on the same basis as white people and made subject to the same laws and penalties involved in the use of liquor.

If that is done then there should be provision in the bill to enable reserves to hold local option votes if they so desire. If the majority of Indians on a particular reserve want it to be a dry reserve, they should have the opportunity to say so. So far as I can ascertain, the majority of Indians in Alberta are against the removal of prohibition, but in other parts of the country that is not so. There are some Indians who think they should be put on the same basis as the white man, and I think there is a great deal to be said for that point of view in certain localities. As I say, the problem could be solved if Indians were put on the same basis as white men, with provision for local option votes so far as individual reserves are concerned. I am quite certain that the compromise arrangement provided in the bill will not work. In Alberta an Indian will go into a beverage room in a small town and get too much beer. As soon as he sets foot on his reserve he will be in trouble.

Mr. Murray (Cariboo): How about the Ontario cocktail bars?

Mr. Graydon: The voice of experience.

Mr. Harkness: The same thing applies to cocktail bars, except that I do not think you will find a great number of Indians coming into cities of a size that have cocktail bars. They will go into the small towns that have beer parlours, and that will apply to a substantial proportion of the entire Indian population.

So far as I have been able to ascertain, there is no provision in the bill for the establishment of a commission to settle the treaty rights of the Indians. There is no provision of any sort to satisfy the Indians so far as their claims under their treaty rights are concerned. One of the sorest points among the Indians is that in their opinion their treaty rights have not been observed. They point to the provisions of the various treaties in which they were concerned, and particularly those which gave them the power to fish and hunt at will. Of course those rights are now severely restricted by provincial hunting and fishing laws. The Indians have never had any compensation for the curtailment of their rights.

There is much doubt as to what the position really is so far as Indian rights are concerned. The practical result is that Indians are constantly being arrested for infractions of provincial game laws, whereas they believe that they have the right to hunt and fish wherever and whenever they please. That is a whole problem in itself, and one which needs to be settled. Until it is settled the Indians will continue to be dissatisfied. From the practical point of view I believe there is no question that we cannot allow the Indians to hunt and fish at any time of the year anywhere they please. Nevertheless there should be some settlement made with them for the abrogation of the rights guaranteed in their treaties.

Another section of the bill makes it illegal for any person to solicit or receive contributions from an Indian for the alleged purpose of improving his lot without the written consent of the minister. If that provision is put into effect I believe it will make it impossible for Indians to form associations. As the present time there are quite a few Indian organizations. There are the Indian Association of Alberta, the Indian Union of Saskatchewan, the Native Brotherhood, the Native Brotherhood of British Columbia, and others. If the provision is passed in its present form it seems to me that Indians will not be permitted to form such organizations unless the minister is agreeable to their existence. That does not appear to be reasonable or democratic. I do not think that Indians should be limited in respect to organizations they may wish to form or to which they may wish to belong. Of course if you are going to form an organization you must have funds to support it.

In the bill power is taken to enfranchise a particular Indian or a band of Indians against their will if, in the opinion of a committee of three appointed by the minister, it is deemed a desirable thing to do. I do not think that is reasonable. I do not think we should force enfranchisement on an Indian when it means, so far as he is concerned, the loss of certain rights and exclusion from his reserve and from medical and other benefits to which he is entitled. There is no question that this is another provision which certainly should not be passed without a great deal more study being given to it.

Over the past five or six years I believe I have been in as close touch with Indian affairs as any other member of the house. I have not had time to digest the bill and study it properly, and I am certainly not yet in a position to suggest what amendments should be made to particular sections. In addition I have not yet been able to ascertain the reactions of Indians in my own province and their recommendations as to the various provisions of the bill. I believe every other member of the house is in the same or a worse position. Therefore I once more make a plea to the government not to push through second reading of the bill, but if they do, let them not carry it beyond that stage.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I believe that for years many hon. members of this house have looked forward to the introduction of a much more progressive, more modern and more satisfactory Indian Act than we have had on the statute book. Until the joint committee was set up in the last parliament and sat, partly as a committee and partly as a royal commission, for some three years, only twice since 1867, I believe in 1926 and 1930, had commissions or inquiries under the authority of this house gone into the conditions of Indians. I had looked forward to the introduction of the bill, but I must say that I am disappointed in it. It is not the bill we hoped for. It does not do what the joint committee, in its recommendations, hoped such a bill would do. Very reluctantly, and I mean that word, I am joining with those who are asking the minister to withhold the bill for this session.

I feel that the bill is unsatisfactory. I repeat that it does not do the things the members of the committee hoped would be done. It has some good features, but the bill does not put into effect some of the important suggestions contained in the report of that committee, which incidentally was made on June 22, 1948, exactly two years ago. I had

hoped that something more would be done for education than has been done in this bill. It is true that there is some advance over the provisions of the present Indian Act, but I had hoped that the advance would be much greater. I had hoped that consideration would be given to the wishes of those members of the Indian population who desired not only sectarian schools but non-sectarian schools as well. I believe an Indian should have the right to decide exactly what kind of education his child will have in that regard. It is a privilege we demand for ourselves, and I think it is a privilege the Indians should have. While I readily recognize that the provision of the bill—and I do not want to discuss the clause just now—dealing with the educational system among the Indians where agreements are reached with governments, and so on, is a considerable advance over what we have in the present act, in my opinion it does not go far enough.

Then, as was suggested by the hon. member who has just resumed his seat (Mr. Harkness), I believe more attention should have been paid to the recommendation of the committee as to the setting up of a commission to deal with the ancient treaties made with the Indians. That has been a very sore point with the Indian population of this country for a number of years. So far as I have been able to judge, both from the reading of our history and from documentary evidence, and indeed from some of the old treaties, those treaties have not been observed by this country. In my opinion the Indians today are entitled to a thorough investigation into what has been done with respect to their lands and their rights, with a view to the restoration of those rights, or, where restoration is impossible, proper compensation for that which has been taken from them. That, I think, was in the mind of the committee when it made its recommendations in 1948.

We were hoping, to repeat a phrase that was used at the time, that this bill would be something of a Magna Carta for our Indian population, but it falls far short of that. It is merely an amendment of the act now on the statute book. We had hoped this bill would provide in a definite, certain way for the transition of our Indian population from the position of wardship or trusteeship it now occupies in relation to us, toward the goal of complete citizenship and equality with the rest of the population. So we are disappointed with this bill.

I am not going to deal with the various clauses concerning enfranchisement and so on, because an opportunity will be given to the house to discuss them when we study the bill in detail. However, I believe any hon. member reading the recommendations of the committee, which will be found in the *Journals* of this house, volume 84, 1948, at pages 647 to 652, and comparing them with the clauses of this bill, will find that the bill falls far short of what was contemplated by the committee at that time. I know that many of these matters of necessity require consultation with the provinces. I believe it was suggested in the report of the committee that matters dealing with education, health and social services, fur conservation, the development of Indian trap lines, provincial fish and game laws, provincial liquor legislation, the validity of marriages solemnized by Indians on Indian reserves according to tribal customs and ritual, all should be the subject of dominion-provincial conference. The recommendation was that these matters should be placed upon the agenda of the next dominion-provincial conference so that they could be discussed and understandings arrived at before we passed a new Indian Act. That has not been done. I know that in some instances there have been negotiations with the departments concerned, with the departments of education in some of the provinces, the departments of natural resources in others, and so on; but there is no uniform understanding between the provinces and the dominion as to what shall be done in these matters for our Indian population.

I do not propose to deal now with these matters at length. I can quite understand the government may feel that very little good would come out of any delay, so far as hearing further representations is concerned, and I have some sympathy with that point of view. I was not a member of the committee which sat for three years, but I did drop in occasionally to listen to the briefs, the representations and the evidence, and I felt there was no consensus among the Indians who appeared before that committee. It seemed to me that in all probability this house and the government would have to make up their minds from the very conflicting evidence that was submitted to the committee, and I doubt very much whether further representations would bring results which would be different from those we have already had from former representations.

But since this bill is in our opinion unsatisfactory, I think that further opportunity—since the time between the introduction of the bill and its second reading has been so short—might be given for further representations, in the hope that more success would be achieved than was the case in 1946, 1947 and 1948. But my main suggestion is not that. It is that the bill is disappointing. The bill is unsatisfactory in so many particulars and fails to

bring into effect so many of the main recommendations of the committee that I think the house and the government would be well advised to let the matter stand for this session.

One other consideration is this. The house apparently is anxious to bring this session to a close. I must say that I have not a great deal of sympathy with that consideration, even if I myself thought the house might close at the end of this week and have made certain engagements because of that belief. But I have not much sympathy with trying to rush things through. This is a bill which is exceedingly important to a large section of our Indian population, and I think that the suggestions that have been made for delay and opportunities for further discussion should be considered by the minister and a decision made to postpone its enactment this session.

Mr. J. H. Blackmore (Lethbridge): I listened, Mr. Speaker, with considerable interest to the statement the minister made when the bill was first proposed for second reading. He gave a good, plausible-sounding speech that tickled the ears and really made one think that the government had accomplished something in this act. As his first highlight I notice that he said that the old act had not been suitable to the needs and the aspirations of the Indians. While I do not recall that he specifically stated that the new act met the needs and the aspirations of the Indians, he surely strongly implied that it did. The second highlight which impressed me was that he mentioned the fact that it had been the government's desire to make provision for permitting the Indians to give careful consideration to this act. And consequently the act, Mr. Speaker, was actually introduced to this house two whole solid weeks before it was brought in here for second reading! In order to give people over thousands and thousands of miles of Canada, in remote areas, a chance to read and consider it! I must admit that two weeks is almost exorbitant in the provision it makes. I wager that over five-sixths of the Indians never did see this act at all, nor their leaders, in the paltry few days that we have been allowed to have for the Indians to study the act.

The third highlight was this one: The Indians were to be given more control of their affairs. I had a deputation of Indians waiting on me yesterday, among whom were some of what I consider to be the most intelligent Indians in Canada. They spent a good deal of time telling me that, as far as they could gather from the act, the act had almost successfully removed all hope of effective control by the Indians of their affairs on their own reserves. Of course on reading the act and explaining it under the minister's direction, probably we shall be able to see wherein he can justify his case. But I should not be a bit surprised if the Indians were right; because, after all, they have been the victims of the kind of government that Canada has given them now for over seventy years, and they recognize from afar the coming evils.

After I heard the minister's speech, I thought probably I had been deceived in connection with the act; so I went and glanced over the act again in order to make sure that I had really been concentrating on it when I had gone through it the first time. On reading this act I find that I simply cannot justify the minister's optimism by any stretch of the imagination. It is an astonishing thing to me that he should have thought that these fine things he spoke of were embodied in the act. I wonder if somebody else wrote his speech for him without his having read the act. I would not think that would be the case, but the minister is an extremely busy man.

I would say that the act is an entirely negative one. It is apparently designed to govern an inferior and subordinate people and to keep them inferior and subordinate. The first great error which has been committed in dealing with our Indians in Canada has been that of taking it for granted that the Indians were an inferior race and a subordinate race, and that we were going to keep them inferior and to keep them subordinate for nobody knows how long. I think that was a wrong point of view.

In the early days while the land was sparsely settled and people were being protected by a thin red line of mounted police over thousands of miles of area, I can understand that considerable anxiety might have filled the minds of those charged with responsibility with respect to the Indians. They might have desired to keep a fairly firm hand over the Indians; and they might have been quite justified in such a desire. I am not sure. I did not live in those days, although I must say that I came into Canada with my parents in 1892. Things were rather primitive in the area in which we settled in those days. We settled right alongside an Indian reservation. I am not sure that what was done was exactly the right thing or the wrong thing. But certainly if there ever was any cause whatsoever for looking upon the Indians as subordinate and for desiring to keep them so, that cause has now disappeared.

It should be borne in mind that the Indians were not a conquered race. They never were a conquered race in this nation. This nation made a treaty with the Indians on equal terms; and in most cases the Indians who

signed those treaties were perfectly worthy to look the white man straight in the eye and to meet him on equal terms. They were just as intelligent, just as skilful, just as noble, just as brave and strong, and just as effective in every single way. In most cases there never was any thought of conquering the Indians. The Indians made a treaty. The treaty money that we find the Indians obtaining throughout Canada is clear evidence that such was the concept. It is time that everybody in Canada, in his thinking and in his acting—and that the government in their thinking and acting—should go back to the time when the Indian was looked upon as an absolute equal.

When we look upon a good many of the Indians today, if we find it hard to consider them as equals, then I must say that the fault lies entirely with us; because the ancestors of the present Indians were certainly the equals of any white man that ever stepped on Canadian soil. I think there is no successful way of controverting that statement at all.

When the act is apparently a negative one and is designed to keep the Indians inferior and subordinate, that fact alone condemns it as a whole, regardless of what the individual clauses may contain of merit.

When I come to examine the act, as a member of the Indian affairs committee, I find myself deeply disappointed. I spent three years of hard work on that Indian affairs committee, as did the other earnest members who were there. To think that, after all our efforts, the sum total of our reward is this contemptible thing we have before us today makes me wonder if I do not have to struggle to keep my faith in humanity. We were told that we were going to help the Indians to help themselves. I looked into the bill, but up to the present time I am sorry to say that I have found no evidence of anything in the bill to help the Indians to help themselves beyond what we had in the old act.

We were told that we were to build a Magna Carta for the Indians. Well, I fail to find any evidence of any Magna Carta for the Indians. I may have overlooked something, and the minister will have an opportunity of pointing out what I have failed to see, but I think he will do pretty well if he can justify any such high sounding hope as that this bill would be a Magna Carta.

Mr. Harris (Grey-Bruce): I did not say that.

Mr. Blackmore: Members of the house were saying that in the past when we were building up an act—I do not think the minister said that. I want to say this. I think personally, Mr. Speaker, that the present minister of course is completely innocent of any part in connection with this bill. He has just come into his department. I think he is taking hold of his department and doing a good job. All the things that I am saying about the bill are no reflection on the minister. I am quite sure that if the minister had been in charge of the affairs of this department from the beginning there would be an altogether different bill from the one that is now before us. I think that is only fair, but it is no reason why we should pass this bill. I think rather it is one of the best reasons why we should go slowly and withhold the bill for a year, and give the minister a chance to get his feet on the ground, to get accustomed to his department, and then tell us something about the kind of bill he would like to have in order to handle the department successfully.

Mr. Johnston: Fire the officials.

Mr. Blackmore: I do not know about the officials. They probably did what they were told to do, but who told them? Sometimes there are ways of having orders given out, I understand, behind the hand in this country; you can never tell who is speaking from behind the hand.

The first thing a person wonders about is where the non-sectarian education is that members of the committee almost to an individual decided the Indian should have. Where is it? I find no evidence of it in this bill. Out on the reservation alongside of which I have grown up, among the Blood Indians of whom I have the honour to be a chief, I find that if a man is going to send his child anywhere to get any education he has to send that child either to a Catholic residential school or to an Anglican residential school. I am finding no fault with either of these splendid organizations, but to say that an Indian, in order to get his child educated, has to take that child out from alongside his own fireside, out from under his own parental roof, and allow the child to remain for years and years under an influence which is contrary to what he may desire, to say that an Indian has to do that in order to get an education for his children is to say something that is so far beneath the sense of British justice that every member of this house has, that it alone constitutes a reason in itself for the rejection of this bill, until ample provision is made for the non-sectarian education of the Indian.

Where is the defining of the extent of the government's obligation to the Indians through treaties, promises, agreements, by sweeping specific agreements which have been made with the Indians for many years ever since our fathers first came here to deal with the Indians? We find no evidence in the bill, so far as I can see, of the setting up of a claims commission. We find no evidence

of any statement made by the minister that there is contemplated such a commission independent of the bill. But the time is far overdue when a claims commission should be set up to consider the injustices which the Indians have suffered from by reason of our failure to keep the treaty obligations that we solemnly entered into back in the years of long ago.

Where is the formula for gradual but continuous transition from wardship to citizenship which we all expected we would find in the bill? We had a right to expect it. Where is the formula? It simply is not in the bill. There should be at least this important provision in this bill.

I do not propose to discuss any individual clauses at all but I will say that six essentials ought to be provided for in the bill:

First of all there has to be something done, and done soon, for the thorough rehabilitation of the Indians. By that I mean in a general way there must be provision made whereby an Indian has a chance to start out in life. Let each of us members of this house suppose now that he were an Indian father and that he had an Indian son twenty-one years old. The boy wants to get married. He comes to us and he says: "Dad, what may I do to get started to support my family?" I will tell you, Mr. Speaker, that if the average member of this house were surrounded with the circumstances which confront the average Indian father across this land he would be stricken with complete despair and dismay at the thought of advising his son.

There simply are no facilities in the ordinary life of the Indian for rehabilitating himself. I speak as one individual having much experience because I live alongside one of the finest reserves in the Dominion of Canada, inhabited by one of the finest bands of Indians in the Dominion of Canada, namely, the Blood Indians. I know the difficulties; I know many of the fathers, some of them about my own age. Many of them have talked to me about their problems. Something simply must be done in the way of a large revolving fund to enable these people to borrow money to buy stock and equip themselves on their land, or through other means something must be done to give the young rising generation a chance to establish itself. There is not a doubt in the world about that; and if this house permits this opportunity to go by without making provision for that important essential then it will have betrayed its trust in this most important time in the history of Canada.

Secondly, there must be a claims commission set up right now, within the next year. I do not see why we should ask a splendid young man like the present minister to undertake the administration of such a department as this under such a handicap as he will be under if he has no claims commission. With the ordinary officials of his department loaded down with the weight of routine detail, the considering of petitions from groups of Indians for redress of grievances from which they are suffering by reason of this, that and the other thing which has resulted through natural development is far too much to ask of any minister. What chance has the minister to carry on and give the very best he has to his department unless a claims commission is set up so that he knows something about where he is?

Then there should be provision for self-government among the Indians more and more. If the Indians are unable to govern themselves, then how can we expect them by voting to be able to govern us and help us to govern ourselves? And if they are able to help govern Canada by voting for members to come to this House of Commons I see no reason why they cannot govern themselves. To contemplate the situation from that angle makes the matter palpably absurd.

Education, as I have indicated, simply must be provided for. The average Indian boy or girl has not a fifty per cent chance of education comparable with that of his white brother or sister who lives just across the road from the reservation. Yet if he goes out in competition in the world around him he must be in competition with that young white brother or sister in every sphere of activity. Well, together with the natural handicaps which hold the Indians down by reason of many things which need not be mentioned, to give them the additional handicap of inferior preparation through education is to visit upon them the grossest kind of injustice.

A fifth important thing is the right to remain Indians. We have cavalierly assumed, as white people in this country, that it is a completely desirable thing that the Indians shall mingle with us, become whites, be submerged and lose their identity. Well, I think we are going a long way when we assume that we are so completely superior as all that. I do not see any reason under the sun why the Indians should not be able to continue a long history in which their race shall be preserved, just as the race of certain other peoples we can name has been preserved. I shall have more to say about that. The whole object of our policy in Canada seems to be to submerge the Indians and to assimilate them out of existence. That may be all right; it may be desirable; it may be that the Indians want it. But if they do want it, then they should do that sort of thing of

their own volition, and not through anything imposed upon them by us. If they choose to intermarry with our people, and our people choose to intermarry with them, then let that be taken up in a purely natural way. Do not try to force it on the Indians in a way which would assume the nature of dictatorial demands on them.

Finally the Indian should be provided religious freedom. There is nothing that the ordinary individual in Canada values more highly than religious freedom. There is not a member in the House of Commons who would not step out and die any time for his religious freedom, the right to believe and to live in accordance with the dictates of his conscience. But we have consistently denied that right to the Indians. Granted we have not passed any law making it impossible for the Indians to worship according to the faith of their fathers, but we have placed them in a position where they cannot get instruction unless they send their children to schools where the faith of their fathers is destroyed. It may be, too, that they are too poor and not organized well enough to have religious worship as we would have it. In various other ways, too, we have placed the Indians in a position where they are virtually denied the right to religious freedom.

Of these six essentials, I do not find provision for a single one in the present bill—certainly there is not adequate provision. Who would not condemn a measure of that kind? Who would not recoil from it? No wonder the Indians are in despair—and they are. The very contemplation of this act fills them with dismay. I have talked with many of them, and I have learned that that is so.

May I now turn to the first item I mentioned, namely that of rehabilitation? On the reserve adjoining the area in which I live there is an abundance of land to provide good farm homes or good ranch homes for virtually every Indian couple on the reservation. Yet to the average Indian it is a complete impossibility to get an advance of money sufficient to enable him to buy five or six young cattle with which to start out, and the equipment necessary to operate such a farm.

That ought not to be. Something has to be done by way of supplying a large revolving fund of millions and millions of dollars—tens of millions of dollars. Of course that scares us. Suppose it does; the contemplation of a war financial obligation scares us, too, but we assume it when it becomes necessary. Surely we should not recoil from a peace obligation just because there are financial commitments involved. Provision should be made to give the Indians vocational guidance. When one thinks of the various means whereby we give our own young people suggestions as to what they should do and what vocations they should enter, and then realizes that there is so little of that sort available to average Indian boys and girls, once more we have that sinking feeling about the life they have to face and the difficulties they must have to keep themselves looking up instead of down.

On many of our reserves there is no longer ample land and no longer are there ample resources to support the Indian populations. I doubt very much whether the minister will find available to his hand, when he begins to probe into the difficulties which are bound to come, data which will enable him to tell the resources of a given reserve—call it reserve P, if you like, or call it reserve K. He will not be able to tell whether that reserve is equipped with sufficient resources to support the Indians thereon.

Mr. Murray (Cariboo): May I ask the hon. member a question?

Mr. Blackmore: Certainly.

Mr. Murray (Cariboo): Do not the Indians in British Columbia, particularly those along the coast, have in their reserves the most arable and fertile land to be found in the province?

Mr. Blackmore: But that is not the whole of Canada, and I was talking about the whole of Canada. And, as I recall it, if my recollection of history serves me correctly, British Columbia pretty well settled the Indians of that province before the dominion government took over. The result is that the British Columbia Indians are perhaps more fortunately situated than those of any other province. My recollection is that when British Columbia entered confederation she stipulated that the dominion government should take just as good care of the Indians of that province as had been given them by the province.

Mr. Murray (Cariboo): The same applies to the province of Quebec, and certainly it applies to Ontario.

An hon. Member: Make your own speech.

Mr. Blackmore: I do not want to get into an argument with the hon. member. I hope he will allow me to deliver my speech.

Mr. Murray (Cariboo): Deal with facts, then.

Mr. Blackmore: The things I am dealing with are facts. If the hon. member wants me to take him in hand about the facts, I will soon do it.

Mr. Murray (Cariboo): I am asking the hon. member to state the facts fairly.

Mr. Blackmore: The hon. member will have a clear floor when I have finished, and he may say all he wishes to say. If he can find any fault in what I am saying, I shall be ready to take it back. But I suggest that he had better assume that I know what I am talking about, because I live alongside a reservation, just as he does.

I doubt exceedingly that there is a reservation in Canada today equipped with adequate resources to support the Indians living thereon. To the extent to which any reservation is unable to support those Indians, this parliament ought to make moneys available; and we should have the principle laid down whereby the resources of a given reservation can be supplemented by one means or another.

Leadership should be provided in developing self-sufficiency among the Indians. That may not mean much until we probe into it a bit; but there are a great many things the Indians could do on an ordinary reservation —if they had the leadership—to supply the needs of the Indians living on the reserves— as was done ninety years ago on the reserve I live near.

With wise guidance and a little supplementary assistance the Indians could be enabled in large measure to become self-sufficient on their reservations. There are living out in Alberta a group of people—

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

Mr. Blackmore: So long as these questions do not become so numerous that they use up my time.

Mr. Warren: Why is it that the hon. member for Lethbridge, who lives alongside a reserve, does not supply that leadership?

Mr. Blackmore: If anyone can imagine a more absolutely stupid question coming from any man than that, just call me up and tell me.

Mr. Warren: It is not a stupid question. Come up to Golden Lake reserve in my riding, where I initiated something in the way of leadership which has proved most successful. They are as happy a community as is to be found anywhere in Canada.

Mr. Blackmore: That sounds very fine. This bill will be in committee after a while, and the hon. member will have a standing invitation to boast all he wants to.

Mr. Warren: I am not boasting.

Mr. Blackmore: It looks as though certain people are attempting to interrupt this speech. If that is so, then there will be no more questions allowed. I have a message to convey; I represent a very fine tribe of Indians, and I am going to convey that message.

Mr. Warren: So do I.

Mr. Blackmore: I have a responsibility to discharge, and so has the hon. member. I suggest he get up and deliver a speech of his own, and that he ought not to interrupt mine —and the same applies to the hon. member for Cariboo.

As I have said, much could be done to enable the Indians on reservations to be self-sufficient. I would point out that in the same area where this reservation is located there is a group of Hutterites, some 150 strong. They are able to live together, almost completely self-sufficiently, on land no better than that on which Indians are living. But those people know how to work the land, they have the equipment with which to work it, and they have the knowledge. I do not know why something like that could not be done on our Indian reservations. We should make an attempt to rehabilitate our Indians.

With regard to old age pensions, I have said several times that in my opinion it is nothing less than a scandal that we pay old age pensions to white people and refuse them to the Indians who are much more needy. Old age pensions should be paid to the Indian at a much lower age. Why? Because the Indians have greater difficulty under ordinary circumstances to get work than the white people. They go out of the economic market at least five years earlier than the white man. If the white man needs an old age pension at 70 years, surely it is the barest of justice to give the Indian his pension at 65 years. It must be borne in mind also that from the cradle to the grave the Indian is faced with poor nourishment; malnutrition besets him all that time. The result is that deterioration from old age comes far earlier in his case than it does with the white man. There should be a larger old age pension for the Indian and he should be eligible at least five years earlier.

There should be larger family allowances for the Indian. Surely if the white man requires family allowances of the size given, the Indian needs at least half as much again in order to have anything like a chance.

Special assistance in buying should be provided for our Indians by this legislation. My experience has been that in buying housing, food and clothing and all the other necessities of life the ordinary Indian is in direct

competition with the white man who is far more skilled and shrewd than he is. The result is he is beaten every time. From the time I was a little boy I can remember seeing white men buy good Indian ponies for $5 when they were worth at least $30. We should provide co-operative selling and buying facilities for the Indians, using the government's credit.

Some hon. Members: Carried.

Mr. Blackmore: The Liberals are certainly interested in the Indians, are they not? They are so much interested that they cannot even bear to hear a little discussion about them! The government's credit should be provided so that the Indian can obtain his food, clothing and shelter far more cheaply than he can get these things in the open market. Today the Indian must go into the open market and frequently has to pay higher prices than the white man would ordinarily pay. Co-operative selling facilities for his goods should be provided under government supervision, but I shall not go into that. I have often been heartsick to see how difficult it is for the average Indian to sell his products at reasonable prices.

There is no reason why the government should not help the Indian establish himself in industry. All these things can be provided for in the act as a means of rehabilitating the Indian.

In dealing with the need for an Indian claims commission I will keep my eye only on the reservation with which I am thoroughly familiar. The wood on that reservation is not as plentiful by any means as it was when I first knew the reservation. The water supply is not nearly as great. The fish have completely disappeared. There are no game animals from one end of the reservation to the other where once there used to be an abundance of game. There is hardly any fruit on the hills or in the valleys and grazing has been almost ruined by over-grazing by the white man. The Indian reservation is nothing like what it was in 1877 when the Indians signed a treaty and were given the reservation. The deterioration of the reserve is due in large measure to the activities of the white man. An Indian claims commission would be able to establish the amount of deterioration that has taken place in this heritage of the Indians and set the proper reimbursement for the Indians for their losses. That is the only fair way I can see of approaching this matter.

Provision should be made for self-government by the Indians. The hon. member for Calgary East (Mr. Harkness) indicated that he was not quite sure whether one of the sections of this bill would prevent the organization of the Indians so that they could train themselves in self-government and express more effectively their desires to the white man's government. I am afraid that there actually is provision in this bill against the further development of even the loose and meagre organization the Indian now has. In my judgment the government should be doing everything in its power to enable the Indian to become thoroughly organized and should be ready to work with the Indian organizations.

Then a few more words about education. The education which the Indian child receives should be specially adapted to his need when he returns to live in the teepee on the reservation. As far as I have been able to see we have been trying to give the Indian child an education to fit him for life in the city. Such an education ordinarily is almost useless to him after he is through. If we want to educate an Indian child for life in the city we should educate him for that kind of thing, but if he is going to live on the reservation then his education should be adapted to that sort of life.

As I said a minute ago, Indian education should be completely non-sectarian. Up to the present time one of the difficulties encountered in educating young Indians is truancy. Sometimes the parents will not come in so the children can go to school. I think the only thing we can do about that problem is to establish non-sectarian residential schools, state-owned and state-controlled, similar to our universities, at which the Indian boys and girls could be taken into residence and be subject only to non-sectarian influence. It should be good, wholesome influence but not that of any particular religious denomination. That is the only way I can see of guaranteeing the Indian religious freedom and good education in any real sense of the term.

Everything should be done to preserve the racial identity of the Indian so that the Indian child one hundred years from now will still be an Indian if its parents feel that that should be the case. We must bear in mind that the Indians are a great race. Those who have gone back into the history of the race have been astonished at what they have found there as the probable racial origin of these dark people who have roamed our plains. They are a great race; they have a great history and they can have a great future. If they do not have that great future, in large measure it will be our fault. Provision should be made in the act to enable the Indian to maintain his racial

identity. The act appears to me to be designed to destroy the racial identity of the Indian and submerge it out of sight.

After having said all this I do not think I need tell the minister that I am going to be among those who will support him by demanding that he withdraw this act and give us a year in which to study it and give him a year in which to find out what kind of act he needs in order to help him in his onerous duties of managing the Indians of this great dominion.

Mr. Abbott: I would ask the leave of the house to allow me to move the adjournment of this debate until later this day. It would be a great convenience to me if I could proceed with my estimates this afternoon, but they would not be continued this evening. This debate could be resumed at eight o'clock.

Motion agreed to and debate adjourned.

SUPPLY

Hon. Douglas Abbott (Minister of Finance) moved that the house go into committee of supply.

COMPLETION OF BIG BEAVER-MINTON RAILWAY GAP

Mr. H. R. Argue (Assiniboia): Mr. Speaker, before the motion is put I should like to take a few moments of the time of the house in discussing an important matter which has recently been brought to my attention. I wish to raise a matter which was brought to my attention through representations from a number of people in southern Saskatchewan. I will not have any other opportunity to bring it to the attention of the government at this session, and therefore I should like to do so now. I refer to the completion of the railway gap between Big Beaver and Minton. The people concerned are holding meetings throughout the area to press for completion of the railway line from Minton to Big Beaver. They point out that the need to fill the gap is very great. The people in that part of the province are isolated for a great part of the year. Completion of the line would improve railway service tremendously and would prevent a long and costly back haul. Since the gap is only some twenty-five miles it is the hope of the people in that area that construction may be undertaken at an early date.

I urge the Minister of Transport to use his influence to see that this is done. I have a resolution which expresses the need a lot better than I can, and I should like to read it to the house. It is as follows:

Whereas the original intention of Canadian Pacific Railway was no doubt to connect up the railway lines between Minton and Big Beaver;

And whereas over twenty years have passed by since these two lines were constructed;

And whereas by connecting up these two lines better service could be given to the residents in the area;

And whereas each year of delay in connecting up these two lines is costing the farmers a considerable amount of back haul;

Therefore be it resolved that we urge the linking up of the branch lines between Minton and Big Beaver.

That resolution was passed by the municipal council of the rural municipality of Souris valley. Substantially the same resolution was endorsed by many municipalities throughout that area. As the government has not seen fit to postpone the coming into effect of the recent increase in freight rates, which I had hoped it would, it is essential when the railway companies are given increasingly higher freight rates that they give better railway service. In that part of Saskatchewan there are innumerable lines that have not been completed, and for that reason the railway service generally is poor. Railway lines should be completed between Mankota and Valmarie, Neidpath and Swift Current, Willow Bunch and Assiniboia, and Neptune to Webster to connect with the C.N.R. line running to Radville, a distance of only a few miles. I hope the Minister of Transport will take my words into consideration and use his great influence and good offices to see that these gaps are filled and that the people of the area are given more adequate railway service.

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

DEPARTMENT OF FINANCE

General administration—

85. Departmental administration, $1,392,488.

Mr. Abbott: Mr. Chairman, it is not my intention to make any extended remarks on the item for departmental administration. I had the opportunity particularly on the budget address to give a fairly complete review of the financial position of the country and the administration of my department. Therefore I shall not attempt to do so on this item. I want to say in a word or two how gratified I have been at the work that has been done this year by the standing committee on public accounts. It has had a great many sittings, and I understand has gone into the method of presenting the estimates in a great deal of detail. I have not had an opportunity to consider carefully the reports which have been presented so far, but I want to congratulate all members of that committee of all parties on the careful and painstaking work which they have been doing.

I am sure the recommendations they have made will prove of the greatest assistance in

considering what improvements can be made in the method of presenting the estimates to the house. In addition I welcome, as I have said before, the care and attention which has been given by the committee to the examination of specific items of expenditure. I shall not delay the house longer at this time, but I am quite sincere when I say that I am delighted at the way in which the public accounts committee has functioned this year. Instead of being a committee which meets infrequently, I hope it will be a committee which will meet during each session of parliament.

Mr. Macdonnell (Greenwood): Mr. Chairman, on this item I should like to make a few general observations. First of all I should like to say something about what the minister has just said with reference to the public accounts committee. I was a member of it, although not as regular an attendant as I would have liked to be. I think what the minster has said is justified, and I am pleased that he has said it. I think we can assure him there will be no difficulty about having it meet every year because that is certainly the desire of our party. We had the good fortune to have before that committee notably the Auditor General. I say notably because he has a particular relationship to this house. We also had other civil servants whose help we appreciated and whose capacities we admired.

Finance enters very deeply into our lives, and I should like to make a few remarks this afternoon concerning a matter which has been brought up in the house before, and which I am afraid will have to be raised again until we get away from some of the difficulties which perplex us. I want to say something about controls, what one might call the use of arbitrary power, what someone very well described as delegated power which almost in spite of ourselves seems in some ways to be becoming almost paramount. I am not going to dwell on the matter at any length, and I hope not to be controversial. Sometimes it seems as if the house is not much interested in arbitrary power. One must assume that the house takes a light attitude towards it, if I am right in saying that they do, because they feel that is also the attitude of the country generally towards it. Therefore one is glad to find occasionally people outside the house who seem to share the feelings of some of those inside the house.

I should like to read a short extract from a letter written the other day to the Senate committee on human rights and fundamental freedoms by a professor at Queen's university. I think he is quite innocent of any connection, however remote, with the party to which I belong. He refers to the developments which have come upon us, not because anybody planned them but which nevertheless I think we should try to look at in a realistic manner and not pretend that they do not exist. Let me also say that if they do exist, as some of us think they do, it is not a peculiarity of this house. It is something which is characteristic of the relations between governments and democratic assemblies practically everywhere they exist. The quotation I wish to read is as follows:

> The cabinet is the modern crown. And it is rapidly assuming a more powerful place than the Stuarts ever had, and also a more intrinsically irresponsible one.

I put that on *Hansard* because I think it is a matter of interest and one which should concern us, but I do not propose to dwell further on it. I want to say, as I have said before—and having said it before I shall try to be very brief—that these delegated powers and controls that we accepted first of all as war measures and that we confirmed four years ago as what we hoped would be a rather short-lived peace measure; these things that came to us and were accepted first as temporary and abnormal now I think are in great danger of becoming perhaps not permanent, because nothing is really permanent, but at any rate of indefinite duration as far as we can see, and considered perfectly normal. It is the fact that they are regarded as perfectly normal that often disturbs me more than anything else. That is true not only of those who operate them but, I regret to say, of a very large number of the public as well.

With regard to those who operate them—and I say here, as I shall probably say again, that as to their individual capacity there is no question and that I have the highest regard for them—the only objection I have to them is that I think they have been set to perform tasks which no one should be asked to do, because I think they are beyond individual competence. I was going on to say, however, that with regard to a good many of those who have been responsible for the administration of these controls I think they would feel that the end of the world was coming if we told them we could get along without controls. I think they have come to feel, perhaps inescapably and probably quite naturally, that what they are doing is necessary, that there is no sign of any end to it, and that they have been doing a very good job indeed. I do not propose to mention names, but the other day when we were voting on what some of us thought was the institution of arbitrary power, I was struck by the fact that some people

who constantly speak about free institutions do not seem to bat an eyelash when what we thought was such arbitrary power is extended.

Now I want to say a few words in particular reference to foreign exchange control. During the war we permitted the institution of control over a very wide range of prices. We did that because we thought it was an emergency; and of course we included the fixing of the price of money. I must give credit to the government for the fact that since then a great many of those controls have been thrown overboard, but what I regard as the most important of all, the one that enters into all other things, has been retained. I refer to the power to fix the price of our money in terms of the money of other countries. I invite hon. members to think in very plain, rather simple and, if you like, naïve terms of what it really means when we have foreign exchange control. It means that thirteen million people have handed over to the minister and his advisers the power to fix the value of our money in terms of other moneys, and of course directly and indirectly that affects a very large number of other prices. Perhaps if you use the word "indirectly" only it affects all other prices. So we have this extraordinary measure of control.

Let me say again that in my remarks I am not questioning the capacity or the sense of public service of those administering this control. My objection is far different. In passing I would remind hon. members that for decades, I suppose I might say for generations, the value of our money in terms of other money was fixed as all other values were fixed; that is, by buying and selling. You then had a price which was realistic and which, contrary to what we are sometimes told, on the whole was pretty steady. Now that price, which as I say was arrived at by the acid test of the judgment of tens of thousands of buyers and sellers, is fixed by the judgment of a few men sitting here in Ottawa.

As I mentioned earlier, a few years ago, when this legislation was passed, it was hoped that it would be of rather short duration. We felt then that after the upheaval of the war we were in what I suppose might be termed the almost equal upheaval of peace, so we agreed to the legislation and it started on what I might term its peacetime career. At that time, of course, it was in the minds of most of those who were discussing it that the whole question of foreign control had a bad background; that it was invented by the notorious Schacht. There was a feeling that it was perhaps necessary but that it was an evil, a necessary evil if you will. What disturbs me most of all is that I find very little sign now of its being regarded as an evil at all. Not only does it seem to have become normal, but it is regarded, I think, as a good thing. It is considered to have produced far more benefits than evils; and on that I shall have a word to say later. To put it differently, the abnormal has become the normal, and this is now almost regarded as an ordinary instrument of policy.

If you reflect upon it, Mr. Chairman, it is strange that this should have happened in a democratic country, because after all it is a most undemocratic thing. I believe the Prime Minister said that socialists were Liberals in a hurry. Sometimes one wonders if the Liberals are not fast catching up with them, judging by some of the measures they are now putting forward. Indeed, I could go further and say that the other day the hon. member for Rosetown-Biggar, in referring to arguments advanced against a certain type of control we were criticizing, said that he agreed with the general line taken by the leader of the opposition. He will not agree with me today—

Mr. Coldwell: Just wait a minute; you can't tell.

Mr. Macdonnell (Greenwood): I thought the hon. member was going to contradict me. I fear he will not agree with me today, because I am going to argue that whether we like it or not these measures are definitely hurrying us toward the collective state which a good many of us in this house do not want. I say that because surely anyone who reflects upon the origin and use of this control system as it appeared and was used will realize that it was one of the great instruments of Hitlerism. What is more, it was one of the chief instruments he used in bending the surrounding countries to his will. In other words it was the very nub of national socialism.

Some will say: even supposing that is true, even supposing there are what you consider to be objections in principle, is that not a little theoretical, and after all should we not be very thankful to the foreign exchange control board for what it has done during these years? I think I have said before, and if not I will say now, that I believe there was a case for it during the war, and there was even some case for it in the immediate post-war period. But I come now to consider the argument advanced, and the view which I think is very largely accepted, that there has been a kind of almost divine wisdom in what has been done by the foreign exchange control board; that their proceedings have been wise, and that even if it offends against some of the theoretical principles on which old-fashioned people

were brought up, nevertheless the benefits are so great that we should overlook any objections.

I want to make this point. When people come along and advise the scrapping of old, tested methods, when they say that things which have worked for decades or centuries must be abandoned and we must accept their new system, then I think it is perfectly fair for us to say that if they are going to take that line they must be right. If they are going to pretend to have powers that none of the rest of us think we have; if they are going to assume responsibilities and powers never assumed before, they must be right. If the family doctor tells us that we are not to use a remedy that has always worked in the past, that he has something new which is going to be better in the future, I think he has to be right. If it turns out that we do not get the benefit we expect, then I think we are perfectly entitled to criticize. Someone may say: oh, this is all wisdom after the event. I admit quite frankly it is partly wisdom after the event. But I repeat that when these powers are assumed, when people purport to exercise these great powers which I say should not be in the hands of any individuals but should be left to the tens of thousands of people matching their transactions against each other, when we come to examine what they have done then they have to be right.

Let us see what has really happened. I pass over the war period and come to 1946, when our dollar was put back at par with the United States dollar. First of all on reading the statement made at the time by Mr. Ilsley and still more perhaps on reading the annual report of the Bank of Canada of the following year, it is perfectly clear that that was done on what proved to be an absolutely unsound hypothesis. It was done really as a price control measure. It was done because it was expected that United States prices, after a short rise, were going to start coming down; and it was thought that we, by increasing the value of our dollar, would keep our prices down and that we would avoid this hump; that by taking the low road and letting the Americans take the high road, we would so to speak meet with them later and we would have avoided this rise in prices. Of course that all proved to be wrong. I am not criticizing them for not being able to predict. I am criticizing them for attempting to predict at all.

What happened? We all remember what happened. American investment in Canada shrank rapidly. Canadian purchases in the United States of course were stimulated, and to make matters worse the government, during the early months of 1947, rather warned people that they might be doing something later on and as a result they practically created a run on American dollars. We all remember that. That went on and on until in the autumn of 1947 we had lost something like 1,150 million, if my memory serves me rightly, of American dollars. Then of course we remember what was done. The government then in rather a hurry announced certain measures by radio. I will not dispute with the minister—because we have done it often before and there is really no dividend in it—as to whether or not that was legislation. I will compromise by saying that I think everyone except the minister and his group thought it was legislation, and the minister said it was not. At any rate, it had a great effect on people's lives and it looked a great deal like legislation to them.

That was the end of 1947. As I say, the fixing of the dollar at par undoubtedly had these results which I have just indicated. Of course one artificial control will produce other controls. Controls are like rabbits; they breed. As a result, we had the various controls we remember so well. We remember the wretched importers who had no warning, of course, of this kind of thing happening. The importer found he was not up against a law, that he was not up against a tariff but that he was up against the edict of a man. He just could not import. I am sure the minister was sorry about that. Indeed I remember a moving communication sent on the minister's behalf to some poor fellow in this plight; and I do not doubt the minister's sincerity at all. What I am pointing out is that one arbitrary measure produces others, and that we have these controls which operated and continue to operate. I often picture the minister as really holding a tap and he turns on and off the lettuce and tomatoes and other things just as one would turn a tap on and off. Incidentally, some of us have had letters just in the last day or two from a gentleman who is complaining because he cannot import a school bus. Apparently he cannot get any foreign exchange in order to import a school bus. I do not know anything about the details of his complaint, but I sympathize with him in running into one of these man-made controls. As I say, if it was a tariff, he could make up his mind whether or not he could pay the tariff price. But here he has no option at all. He is just told: No foreign exchange for you.

I need not take much more of the time of the committee on this matter. I should just like to follow through the intervening months. We all remember how controls

flourished during the year 1948; sometimes you have more and sometimes you have less. The minister sits there with his advisers and they survey the scene; and we have more controls or less controls, in their wisdom. Then you come to 1949 and you have the use of that fine, expansive word, "chaos" by the Prime Minister. If I remember rightly the Prime Minister said that any tampering with the rate of exchange—and this was during the election—would bring chaos; and he was extremely critical of anyone who suggested that there was any possibility of changing the rate of exchange.

Then we come to September. And of course I sympathize with the minister just as I sympathize with Sir Stafford Cripps, that great model of—what shall I say—verbal accuracy and intellectual accuracy—I am referring now to Sir Stafford Cripps—who over the course of many months was forced to say that the British pound would never be devalued; never, never, never. Then of course he finally had to say: Hardly ever. Some people are extremely critical of him for that. I do not see what else he could say. Even so fine a man as the minister, I am perfectly sure if I were unwise enough to ask him,—and I would not be unwise enough to ask him—on the day before he had determined to alter the rate of exchange—I am sure he would have to resort to some kind of evasion, if I may use that word in this committee. I hope the minister will not take the slightest offence from it.

Mr. Abbott: Not the slightest.

Mr. Macdonnell (Greenwood): It is a word that is sometimes not received in good part; but the minister does not seem to mind. What I am saying is that last September we came to another devaluation. The minister of course will say, and with some force, that he had to join in with the rest of the boys; that when Cripps was devaluing and the others, he had to devalue.

We now come down to the present stage. The other day there happened an incident which I think people would do well to bear in mind. I am sorry the Minister of Trade and Commerce is not here, and I am sorry we have to refer to him so often. But the Minister of Finance is here, and I know he will not disagree with me in this. After we weave our way through the tangled labyrinth of division of duties among the cabinet, when we come out we nearly always meet the Minister of Trade and Commerce. There therefore must be no complaint if I refer to him at this time. The other day the Minister of Trade and Commerce made a statement. The Minister of Trade and Commerce after all deals with wheat, national research and other things. This day, if I remember rightly, he was dealing with wheat. The Minister of Trade and Commerce never likes to confine himself within narrow limitations. This day he took a little fling in the realm of finance, and he made some cryptic reference to the course of exchange. He said it might be longer or shorter. It was really a good deal like the old nursery rhyme: This year, next year, sometimes, never. He was extremely vague. But the point is that by reason of those particular words I know that he caused a great deal of mental uneasiness in the business world. I know of cases where importers and exporters met to consider their exchange position and what they should do by reason of what the Minister of Trade and Commerce had said. I suggest that that just shows the absurdity, the abnormality and the utter artificiality of this situation which we allow to continue and which to my great regret I see no sign of any disposition even to begin to lessen.

At the moment there is, as I said, a considerable amount of jitters as to whether something is going to happen to the rate again. Yet the benefit which is supposed to come to us, and of which we have been told so often, is that we ought to be thankful because of the steadiness which the exchange control produces for us.

Now I want to spend just a moment in referring to what we on this side have advocated in the past. We have not advocated any sudden or violent step. We have not advocated a disregard of the fact that we have obligations under the Bretton Woods agreement. But what we have advocated is an approach to realism. Incidentally we believe —as I am sure the minister does also—that the course of events has put us in a strong position; our dollar is in a strong position, we believe, and could warrant the minister in stepping much further forward on the course of freedom than he ever has. Just in passing let me say that we all got a tremendous shot in the arm from the extravagant American boom. Certain of our industries here are booming because of the tremendous development in the states. The same is true in the United Kingdom; the same is true in western Europe; but nevertheless the great problem of many-sided trade and of convertibility of exchanges remains unsolved. If this extravagant boom should subside we would find ourselves facing difficulties again. Our farmers would know it without being told, and other poeple would know it too.

At the present time we seem to be facing both ways. We are trying to make the best of both worlds. We have a little control, but not too much, and we have a little freedom but not too much. That seems to be the sort of line we are following. I do not believe

we can remain there. I think we have to go in one direction or the other. Therefore I leave this by expressing the hope that even today the minister may be able to say something to indicate at least a desire. While I say "a desire" I do not mean just a vague desire. I should say a desire plus some kind of indication that we will not rest where we are; that we feel that this is something that should be proceeded with; that we feel that we have a strong position and could do something to give a lead to others.

There is one other point I wish to make before I take my seat. The minister has already referred to it briefly in his opening remarks. He said that he was not going to review our position again, as he had done it during the budget speech. I would say this to the minister: Things have happened since the budget speech. I think it is perfectly clear that the small surplus which the minister disclosed at that time is all gobbled up by now, and that we will face something of a deficit when the supplementaries come down. I am not going to spend a moment at this stage of debate in offering any comments on that. I just want to ask the minister whether it is not possible that while we are on these estimates and before the house prorogues he might be able to say something to us as to our position; that he might do something in the way of stocktaking, having regard to what has happened in the last few months. Are we going to have a substantial deficit? If so, what are we going to do about it? Are we faced with higher taxation in the near future, or are we going to be content with the deficit financing which the minister assured us years ago we certainly should not have in good times.

Now, Mr. Chairman, other points will arise when we reach the other items but I need not cover them now.

Mr. Thatcher: I have only a few comments to make on these estimates. I think I can agree with the hon. member who has just taken his seat, when he says that our budget now is bordering upon a deficit. I suppose any change in our economic climate could put the country "in the red". For that reason I think it is of great importance that hon. members should be examining public expenditures with greater care.

I was particularly interested in the opening remarks of the minister when he said that he was delighted with the job which the public accounts committee had done this year. As a member of that committee I think they may have done some valuable work. but I do not think they have done the job that was expected of them. I do not think that they have done the job which the minister told us in the last budget speech that we could expect.

In his 1949 speech, I remember that the Minister of Finance said that the government was practising—and I am going to quote his own words—"the most careful economy and efficiency in all departments". Then he went on to say that the government had decided "on the general policy of limiting expenditures". Many Canadians wish that the minister would tell parliament exactly where these economies have been practised, because a lot of people think there has not been any real economy practised in Canada for about ten years. I do not ask the minister to take my own word for that. In an editorial on May 23, the Winnipeg *Free Press* said:

> There has been no real attempt at economy in Ottawa since the beginning of the war more than ten years ago.

That may be a broad statement but, as I say, many people are inclined to agree with it. What worries me is this: By some kind of twisted reasoning some Liberal members, and particularly the Minister of Finance, are trying to throw the blame for this fact upon opposition members. For instance at page 1992 of *Hansard* the minister said:

> I believe that the public of Canada have the right to expect parliament itself, the members of parliament itself, to exercise a constant and vigilant scrutiny over the conduct of administration, to search for waste and duplication. I think that the members of the opposition have fallen down on that job.

The Minister of Finance has repeatedly, in parliament and out of parliament, challenged opposition members to show where substantial savings could be made. Speaking again about the opposition he said this very disdainfully, as reported at page 1992 of *Hansard*:

> They have not got down to brass tacks in the public accounts committee, or in this house, to scrutinize the details of expenditures in any single government department.

On April 28 the leader of the opposition moved that a royal commission be appointed to make recommendations for the reducing of public expenditures. The Minister of Finance turned down the request, and his reason for doing so was this, as found at page 1991 of *Hansard*:

> The primary reason why the government feels that we would not be justified in accepting the suggestion . . . is that . . . we have a good many existing vehicles on hand.

He proceeded:

> We talk about failure to be able to examine officials of the department directly. Let me point out to the house that the public accounts committee is a standing committee of this house . . .
>
> There is opportunity in the public accounts committee for any member, and in particular for hon. members of the opposition, to ask that any deputy

minister, or any official of any department, be brought before that committee, and to examine him to their heart's content as to the details of the particular services of the department.

Well, Mr. Speaker, I want to say that this year hon. members did "ask" in the public accounts committee. They asked for specific departments. They asked for witnesses; they asked for information; but above all, they asked for the public accounts. They asked for a good many things, but they did not get very much satisfaction. As far as I am concerned as an opposition member I say this advisedly. I do not think that on the public accounts committee this year the opposition members received the co-operation to which they were entitled. That lack of co-operation makes some of the statements which the minister used a few months ago appear a little hollow. Repeatedly we were overruled in seeking information. Time and again we were refused witnesses, and consistently we were refused public accounts in the committee. Here we have a committee which has sat for almost three months, a public accounts committee, yet the public accounts have never been before it. It was just like a railroad committee examining the flag question, or a banking committee examining civil liberties. The public accounts committee examined a lot of things, but it did not examine public accounts.

Why was that committee called? It was called at the request of the hon. member for Winnipeg North, specifically to examine defence expenditures. But in the whole of the three months, the defence expenditures were not brought up despite repeated requests.

The committee first met on April 25. I ask hon. members to note the terms of reference. They were these:

> That the standing committee on public accounts be empowered to examine and inquire into all such matters and things as may be referred to them by the house;
>
> That the public accounts of Canada and the report of the Auditor General for the fiscal year ended March 31, 1949, which were tabled in the house on October 31, 1949, be referred to the said committee.

I ask you to note that, Mr. Chairman:

> That the public accounts of Canada . . . be referred to the said committee.

Obviously the main duty of the committee was to examine public expenditures and to see if there were ways in which savings could be made, and to show it from these public accounts. Therefore I say when the minister challenged the opposition members of the house to use this public accounts committee as a vehicle for showing where savings could be made, he must have forgotten to tell the chairman of the committee and the Liberal members on it, because certainly they did not carry out what he suggested. We spent weeks examining the form of estimates. Probably that was needed. Probably it was a valuable service, but it was not the job that we were given to do.

Next year, if the minister is sincere in wanting opposition members to show where savings can be made, let that committee be called early, let that committee examine public accounts and public expenditures.

I understand that over in England the chairman is a member of the opposition. I think that would be advantageous in this country, because if the chairman were a member of the opposition then perhaps the opposition parties would be permitted to inquire into these expenditures in more detail than they can at the present time.

Year after year when this committee is called, the report of the Auditor General has come up. That report is important, but I hope that next year, first of all, the public accounts will be brought in. Let every department—let each one of the twenty departments, or whatever number there are —know that they may be called in front of that committee to explain their expenditures.

It is conceivable that the committee could consider only one or two of the departments in one year. But we could devise some method—perhaps pick them out of a hat, as one member has suggested—whereby departments would be examined and required to explain every five cent piece they have spent. I think if that were done economies might be effected.

I have not much more to say, except that I as an opposition member not only charge the government with apathy and disinterest in seeing that public expenditures were examined, but say it has been guilty of using its overwhelming majority deliberately to obstruct opposition members from obtaining pertinent information in the public accounts committee.

Mr. Quelch: Mr. Chairman, I regret the Minister of Finance was not able to bring his estimates down earlier in the session. I recall that last year he did say he would attempt this year to bring them down at an early stage. On the other hand I am not going to be overcritical, because I do realize that the government has had a great deal of difficulty in getting into supply during the session.

I cannot agree with the hon. member for Greenwood in asking or suggesting that the foreign exchange control board be done away with. Because I feel that in a country such

as Canada, situated between the sterling and the dollar blocs, it is essential that we have fairly rigid control of foreign exchange, especially when one realizes that we have always had difficulty in meeting our payments in the United States.

It would appear to me that if we had not had control of foreign exchange in this country we might have had chaotic conditions in the post-war years. Whenever the Minister of Trade and Commerce has spoken in the house he has invariably exuded optimism. I am not going to criticize him for that, because I like a man who is optimistic if he has good grounds for his optimism. I am not going to say that at this time he has not those grounds. I think at times however the basis of his optimism has been questionable.

I would say however that the Minister of Finance is in an entirely different category. The only time he really exudes optimism is in a year just prior to an election. At other times he invariably sounds a pessimistic note —or, if he does not like that term, let us say a note of extreme caution. Since he has been Minister of Finance he has continually warned the country and the House of Commons that we cannot expect the present high level of production, employment and income to continue indefinitely.

I believe this has had an adverse effect upon the people of this country. They have reached a frame of mind where they look upon a depression as inevitable, as just a question of time—next year, the year after or some time later. They have reached the point where they think that a depression or recession is bound to come, because they know the Minister of Finance has been warning them for the last four years. For that reason they have been busily engaged in tucking away their savings for a rainy day which, they feel, is bound to come.

Not only that, but in view of the fact that they feel a recession is certain, they are hesitant about investing money in the development of the country. They feel that if they do so they may very well lose their investments. I cannot feel that there are any grounds for that pessimism. Is it because our resources are becoming depleted? Surely no one would argue that for one moment. Is it because we are running short of skilled labour? There, again, there is no question of a shortage of skilled labour. Is it because our production has reached such a high level that it may be greater than is necessary to meet the needs of the people of Canada or the people in other parts of the world? Well, certainly that cannot be argued so far as Canada is concerned, because in Canada we have a large number of low income groups including old age pensioners, incurables, recipients of war veterans allowances and may other low-wage groups which, in themselves, constitute a large potential market for increased production in this country.

In addition there are today a large number of national projects which should be executed at the earliest possible date. They are national projects for the purpose of conserving the resources of this country—water conservation, flood control, irrigation, reforestation. Those are things which may be regarded as self-liquidating projects, and projects which will help to increase the production of the country and the general standard of living of the people.

Someone may ask: What about wheat? I was interested in a statement made by the chairman of the wheat board when he was before the committee on agriculture and stated that even in regard to wheat he did not feel that, so far as the world was concerned, there was any real surplus. That is to say, he agreed that if the people of the world were able to buy the wheat they required there would not be enough to go round. We have a surplus only in so far as the people's ability to buy that wheat is concerned, and after considering the means of payment which we in this country are willing to accept.

I do not think any of those are the reasons why the Minister of Finance feels there is a danger of recession in the not far distant future. I think the minister fears a recession because of a lack of effective demand. Effective demand means money in the hands of those people requiring goods. I should say that problem is the responsibility of the Minister of Finance and his department, because it is that department which advises the government in matters of financial policy, and which is largely responsible for adjusting the supply of money as well as its distribution among the people.

So when the Minister of Finance expresses fear regarding the future he actually expresses a lack of confidence in the policy of his own department.

Mr. Abbott: I do not recall that I have ever expressed any fear as to the future. I do not want the hon. member to overstate it. I am not a pessimist.

Mr. Quelch: The minister's memory must be short because in every budget speech he has made he has warned that we cannot expect the present high level to continue. Let me refresh his memory. He is reported, at page 2553 of *Hansard* for 1947, as follows:

We must expect, I believe, that at times when our employment, production and incomes are below

satisfactory levels, our revenues will fall short of our expenditures.

And then as reported at page 4063 of *Hansard* for 1948:

We must bear in mind that times are exceptionally good at present, economically and financially, and it would not be prudent to rely on such conditions continuing indefinitely. We should now be preparing for times when markets and employment are not so favourable . . . We should, therefore, be putting away what we can for a rainy day.

That is what all the people of Canada are trying to do.

Mr. Abbott: But that is not expressing fear or pessimism.

Mr. Quelch: Then, in October, 1949, as reported at page 972 of *Hansard*:

Nevertheless some declines in our overseas export markets have already occurred and some further declines can hardly be avoided . . . It is with these possibilities in mind that the government is actively reviewing measures to counteract any serious downturn that might develop in our export markets and in the economic activity at home.

In every speech he warned as to the danger in connection with our present high level of income, and that it may not continue in the future. The people, listening to that, have felt that it is their duty to start tucking away a certain amount of their savings to meet that rainy day the minister has talked about in his budget speeches. Not only is there no justification to consider a future recession as inevitable; I believe the people of this country have a right to expect that there shall be registered an annual increase in the amount of the production of the nation, apart of course from any serious calamity that might befall the country such as severe drought or flood. Surely with an expanding population, with expanding efficiency of production and with great undeveloped resources such as we have in Canada, our people have a right to expect a steadily expanding economy, that is, an expansion of production with a corresponding increase in the standard of living. In his budget speech this year the minister said, as reported on page 1210 of *Hansard*, that during 1950 we might not reach a position where our resources would be fully developed and that employment might not catch up with the growth in total labour supply.

I think the minister will agree that the increased production that could be made available as a result of full employment is urgently needed both in Canada and in the world at large. I should like to say a few words about the domestic market because that is our most important market; as a matter of fact we might say that it is the only market we have because international trade is simply the exchanging of our surplus goods for the surplus goods of other nations which must be consumed in the domestic market.

The last time I spoke on the motion to go into supply, and the amendment moved by the leader of the opposition (Mr. Drew), I referred to a speech that had been made by the Minister of Resources and Development (Mr. Winters). I quoted at some length from that speech so I shall not take up time to deal with the matter today. However, the substance of that speech was that today people were putting a large amount of their income in savings and that consequently demand was falling off, or might fall off, with consequent falling off of production and increase in unemployment which might well lead us into a depression. The minister advised the people to spend more freely. I wonder whether the Minister of Finance agreed with that speech, because I think he will admit that it is a complete reversal of the propaganda that has been put out by governments and officials of the Department of Finance in the past. In the past people have always been urged to be more thrifty and put away their money in savings to take care of the future.

We in this group have always pointed out that while the practice of saving was necessary from the point of view of the individual, nevertheless the effect of large-scale saving by the people would be detrimental to the economy of the country. In view of the speech made by the Minister of Resources and Development I should like to know what the government is going to do if the situation he outlined should develop; that is, if as a result of large-scale saving on the part of the people a recession should develop will the government be prepared to step in and take up the slack created as a result of that over-saving, or is it the intention of the government to just sit by and let the depression develop?

The minister will recall that back in 1943 the governor of the Bank of Canada made a broadcast in which he pointed out that if such a situation developed after the war where the people were not spending freely and unemployment increased the government would be justified in going ahead with national projects and not meet the full cost from taxation or by borrowing the savings of the people but by credit expansion. I am wondering whether the government will be prepared to take that action if necessary.

The minister himself admits that employment may not catch up with the growth in the labour supply. I should like to ask the minister, if that situation develops, whether he will proceed with sound projects financed

in part by credit expansion as suggested by Graham Towers in his speech in 1943, or is he prepared to allow a situation to develop such as was envisaged by the Minister of Resources and Development?

I can recall that when the committee on reconstruction met it drew up a long list of what it considered were worth-while national projects for forest conservation, soil conservation, water conservation and so on. It was understood that those would be held as a shelf of projects to be used by the government to take care of unemployment or a falling off in demand. If credit expansion is used to finance the national projects in part, would the minister be prepared to finance in part by using money from the Bank of Canada rather than from the chartered banks, or does he consider himself obliged to take such action as will still further swell the profits of the chartered banks and increase the interest-bearing debt of Canada?

I know it will be argued that action of that kind would penalize the chartered banks, but when you consider the recorded profits of the chartered banks since the war you realize that they have increased every year and are quite substantial today. If a certain amount of money were issued through the Bank of Canada which the chartered banks would have to service without any payment, I do not think that that would impose any undue burden upon them.

It is also often argued that to finance through the Bank of Canada rather than borrow from the chartered banks would be more inflationary. I know that in the past ministers of finance have argued that the reason it would be more inflationary would be the fact that the chartered banks would be in a position to expand their credit facilities by ten to one on the basis of their increased cash reserve. I am not sure whether the present Minister of Finance has ever taken that stand, but it has been taken by his predecessors.

I do not think the minister will find that the officials of the Bank of Canada take that attitude. The attitude of the Bank of Canada has been that there is the closest co-operation between the chartered banks and the Bank of Canada and that, if money were issued in that way, under the advice of the Bank of Canada the chartered banks would not expand their loans if the Bank of Canada considered it detrimental. As a matter of fact, anyone who has read the reports of the Bank of Canada of recent years will find that time and again advice has been given to the chartered banks regarding their loan policy and invariably the chartered banks have acted upon it without any further pressure. On the other hand, if the chartered banks were not prepared to co-operate with the Bank of Canada it would be a simple matter to amend the Bank Act to increase the reserve requirements of the chartered banks so as to offset any tendency toward inflation. Apparently there is a good deal of concern being felt today regarding the lack of Canadian venture capital. I read a press report of a speech delivered by the deputy governor of the Bank of Canada, Mr. Coyne, to the Quebec branch of the Canadian Life Insurance Officers' Association. He is reported as saying that thrifty Canadians have saved over $3 billion over the last four years, that they are increasing their savings at the rate of $400 million a year, and that while these savings would be sufficient to meet Canadian investment needs, Canada is still getting much of her investment requirements from foreign sources. He is also reported as saying that the trouble is that Canadians are not eager to get into the risky field of developing resources, and that one-half of all dividends of all Canadian corporations are paid to non-residents.

Another speech, in many ways similar, was made by the president of the Canadian Bankers Association recently in which he also emphasized the fact that people were placing a large amount of their income in savings. Both Mr. Coyne and the president of the Canadian Bankers Association emphasized the need for venture capital in Canada, and that Canadians are hesitant to take the risk. Consequently the United States is stepping into the picture and now 50 per cent of all dividends of all Canadian corporations are paid to non-residents. In other words, we may say that we are fast becoming a nation of hewers of wood and drawers of water for other nations.

We in this group have always deplored the large-scale utilization of foreign capital to develop our Canadian resources. We have emphasized the fact that during the war we tripled our production without the utilization of foreign capital, and that therefore it should be possible today to carry on the development of Canadian resources without using capital from other nations. As a result of the utilization of foreign capital our foreign obligations are greatly increased, and while I quite realize that the utilization of foreign capital may facilitate the balancing of our payments with the United States at the present time, nevertheless it is bound to aggravate the situation in later years.

We hear a lot of discussion as to what might be done to encourage the people of

Canada to invest more freely in the development of their resources. I think it is well to remember that for many years, and especially during the war—and I am not criticizing the action—we encouraged people in every way possible to invest as much money as they possibly could in dominion bonds. There is no doubt that the people of the country have become very bond conscious. It is also well to remember that if people who are not accustomed to investing money, and are therefore hesitant about taking the chance of losing what little capital they have, go to the banks the only advice they can get from the manager of a chartered bank is to invest their money in dominion bonds. The chartered banks will not advise people to invest their money in industry. Mind you, I am not criticizing the chartered banks for the position they take because I realize that it probably would not be a safe position for any bank manager to act as an adviser to an individual who was asking how he should invest his capital. The situation is that they will only advise people to invest their money in dominion bonds.

It seems only natural that as long as people can buy gilt-edged securities in the form of dominion bonds at a rate of interest of 3 per cent as in the past, and with a slightly reduced rate today, they will probably continue to do so and will not enter the industrial development field. On the other hand, if people could not so readily buy dominion bonds they would be more apt to purchase industrial securities. Therefore I suggest to the government that they might give consideration to refunding maturing government bonds in part through the Bank of Canada instead of by public subscription. That would accomplish two things. It would provide additional investment funds, and at the same time it would reduce the national debt owed to the public. Consequently it would provide for reduction in taxation by reducing the debt charges and thereby encouraging investment.

Of course the question will be asked whether a policy of that kind would not be inflationary. I think the answer to that is definitely no. People who hold bonds today hold them voluntarily because they want them as an investment. If the people who hold these bonds wanted to spend the money they have tied up in them they could take the bonds to a bank tomorrow and sell them at a premium. The very fact that people are not selling bonds proves that they would sooner hold their money in them than spend it on goods. Therefore if the government would refund a certain portion of the bonds upon maturity through the Bank of Canada the people receiving payment would immediately seek other sources of investment.

I think there is another step that might be taken by the government to encourage people to invest their money in the development of the country. I think the government could very well give consideration to the setting up of a securities commission or advisory investment board operating on a voluntary basis. Companies seeking capital from the public could voluntarily make application to the commission for a licence, and reports on such companies could be made available to the people. It would at least help to give the small investor an idea of the soundness of the proposition and would guard against what might be called fly-by-night concerns. I believe there are many people in the country who would like to make investments in its development if they could be assured that they would have an even break. They do not mind taking a normal risk, but so many people have passed through the painful experience of losing their capital, especially in the early days of oil development in the west, that they are not prepared to take a second chance. If we set up an advisory board on investment with representation possibly from the Bank of Canada, industry and agriculture, for the purpose of making a thorough investigation of industrial enterprises upon applications by companies, then I think the statements they would issue would help to assure people as to the soundness of the propositions.

I want to say a few words in closing about our external trade situation. I think it is quite clear from recent speeches that have been made by a number of ministers of the government and other prominent officials that they feel a good deal of concern regarding the effects that government financial policies are having upon Canada's international trade. For example, in the speech to which we listened a few weeks ago the Minister of Fisheries certainly implied that things were not as they should be. I recall he said that international trade was not a financial problem. I believe he should have said that international trade should not be a financial problem; but no one who has listened to the Minister of Agriculture deploring the situation with respect to our food products can escape the conclusion that today our international trade problem is very definitely and primarily a financial problem. Time and again the Minister of Finance himself has said that our trade problem with respect to Britain is a monetary question. On June 13 the Minister of Agriculture stated, at page 3552 of *Hansard*:

> I do not think there is any dollar-sterling question in the world or any dollar-sterling problem as

between Canada and Great Britain that is more important than the maintenance of good relationships between those two areas.

The statement was made as a result of the loss of our markets in Britain, and I recall that the minister was very critical of Britain for having reduced her purchases of food from Canada. I do not think we are being fair when we criticize Britain for having reduced her purchases in this country. Let us not forget that when Britain and the countries of Europe reduced their purchases from Canada and the United States they were doing the very thing they were advised to do by the international monetary fund. Last year I quoted from the report of that fund in which European nations had been advised that, in order to establish a better balance in their trade, they cut down their purchases from the dollar area and increase them from the sterling area. That is the very thing Britain and the European countries are doing today. Therefore it does not come with very good grace on our part when we criticize them for doing the very things they have been advised to do by the institutions we helped set up.

Even if we were able to increase our imports from Britain over a period of time to the point where they would be able to pay for our exports, and the same thing in regard to the United States, I do not think we could hope to solve the dollar-sterling difficulty, owing to the fact that today Britain has very large obligations in the form of sterling balances held by India, Pakistan, Egypt and other countries. I believe it is the obligation of Canada and the United States to help Britain meet those obligations, because those sterling balances originated as the result of meeting the costs of war. Britain's war effort, of course, was put forth on behalf of all the allies. Last year I complimented the Minister of Finance on the stand he had taken at the Washington conference, when he urged that action should be taken by Canada and the United States to relieve the strain on Britain caused by these large sterling balances. So during this discussion of his estimates I would like the minister to give us a report on what progress has been made in dealing with the matter of the large sterling balances held by India, Pakistan and Egypt.

Item stands.

Progress reported.

At six o'clock the house took recess.

[Mr. Quelch.]

AFTER RECESS

The house resumed at eight o'clock.

RAILWAYS, CANALS AND TELEGRAPH LINES

Eighth report of standing committee on railways, canals and telegraph lines.—Mr. Breithaupt.

INDIAN ACT

CONSOLIDATION AND CLARIFICATION—BAND FUNDS AND EXPENDITURES, ETC.

The house resumed consideration of the motion of Mr. Harris (Grey-Bruce) for the second reading of Bill No. 267, respecting Indians.

Mr. D. F. Brown (Essex West): I trust, Mr. Speaker, that I may be permitted to make a few observations in connection with this bill, for two reasons. One is that I represent the constituency of Essex West which comprises the city of Windsor and one township, both south of the city of Detroit. I say "south" because that is geographically correct. The city of Windsor is one of the oldest settled portions of Ontario, if not the oldest. In 1701 the city of Detroit was settled at that time and there was erected a palisade fort. The church of Ste. Anne was one of the first buildings. A few years later the Indians and the white people crossed to the south side of the river and there they formed a settlement which is now called the city of Windsor. In that area there was formed the parish of the Assumption under Father Richardi. It is interesting to note that within the last few days an historical site in that area has been declared; I refer to the home of Francois Baby, brother of Hon. Jacques Baby whose portrait adorns one of the corridors of this building. It is over on the Senate side of this building. At that time he was one of the speakers of the legislative council.

As the minister stated in his opening remarks, in that area we had the Wyandot Indians on the reserve in Anderdon township, a few miles south of my constituency, now in the constituency of Essex South. I think the assimilation of that band of Indians is certainly a pattern which we can well copy throughout the whole Dominion of Canada. I think it is a pattern which could well be used and the goal at which we could aim. Those Indians became assimilated as a group. The residents of that reserve received their final commutation I believe in 1911. They were an intelligent and an industrious people. They have taken their place in the social life of the city of Detroit and of the city of Windsor

I think in a way far above the average of most people whose origin was other than the Anglo-Saxons.

To give an illustration, the descendants of many of those people who were on the reserve, and their descendants, have taken a prominent place in the city of Detroit. One person in the city of Windsor, who was a lawyer, followed his profession successfully for many years and became a member of the provincial legislature. He represented that constituency with distinction in the provincial house. His name was Sol White. His descendants have carried on in the city of Windsor, taking a prominent part in the social and the civic life of that community.

I think that is about the goal that we are aiming at. We want the Indians to be assimilated economically. I do not say that they should be assimilated as to blood, but they should be economically assimilated. We can only have them so assimilated if we are convinced in our own minds that we were born equal.

I should like to take up some of the time of the house on this bill, Mr. Speaker, for another reason. In 1946 the government set up a committee not to deal with lands, buildings, transport lines or trade, but to deal with human beings; with the lives and the hopes of those human beings numbering over 130,000. The Indian committee was set up, comprising twelve members of the other place and twenty-two members of the House of Commons. Unfortunately, or probably fortunately, a great many of the members of the House of Commons who were on that committee are not here today, mostly by reason of appointments to the other place, other appointments as in the case of our distinguished Clerk of the House, and others by the fortunes of election. I think there are today left in the house about ten members who were on that committee. The whole theme of the committee was to help the Indian to help himself. Time alone will tell whether that was successful. Time alone will tell whether we were able to sow any seed. I hope so. I have no hesitation in saying that this committee operated regardless of political affiliation, regardless of partisanship, in an honest desire to be of service.

At this time I should like to pay my respects to one who was of great service to this committee, the late Senator Fred Johnston of Saskatchewan, who was the first co-chairman of the committee. It is also appropriate at this time to mention with reverence the late John R. MacNicol who was always interested not only in Indian affairs, but particularly in Indian affairs. He travelled extensively to see the Indian population of this country. He was very regular in his attendance in the committee and he was very conscientious. I am sure he will be missed by many of the Indians in Canada today.

On that committee we were fortunate in having the services of a lawyer who was a full-blooded Indian. Norman Lickers was a member of the Six Nations tribe and was Indian by descent. He was trained in the profession of law in Ontario. Mr. Lickers was of great assistance not only to the committee during the hearings which it held in Ottawa, but also in drafting the report made to this house.

I might say that the committee was of one mind. It presented a unanimous report. It was willing to bury any partisanship; it was willing to keep the high goal of service before it. For that reason, I think, more than all others it was possible to bring in a unanimous report, which was concurred in by this house.

A part of the committee was formed into a commission which went down to the maritime provinces and viewed the conditions of the Indians there, their method of living, their homes, their industries, their schools, and their hospitals throughout Prince Edward Island, New Brunswick, Cape Breton and other parts of Nova Scotia, also going up into Quebec. It took us three weeks. The ten members of the commission derived a great deal of profit from that visit. On a subsequent occasion I myself went out to Manitoba, Saskatchewan, Regina, and as far west as Port Alberni to see the fishing Indians at the end of the Alberni canal in British Columbia.

In referring to the committee on another occasion I think the minister said that 129 meetings were held. I am not sure as to that. It is possible. Of course that does not include the meetings of four subcommittees which dealt with various subjects, under the chairmanship of various members of the committee. They met at regular intervals. Therefore I suppose one could say that the committee met far more often than is indicated by the number of formal meetings. However, I do not think that it is the number of meetings that really count. The committee was endeavouring to give everybody an opportunity of presenting their viewpoints on the subject. We heard Indians from the maritimes, from Quebec, from the west, including British Columbia, and from the far north. We heard persons not of Indian descent, who had some knowledge of Indian matters and Indian affairs, from all over

Canada, and the result has been this bill. Whether or not we can recognize the child we are not too certain.

However, I do believe that we should endeavour to take what we can of this bill that is of value and then strive, and strive hard, both within and without this chamber, to bring about the assimilation of the Indians as I have described in my own area.

I do not quite agree with the hon. member for Calgary East (Mr. Harkness), who was a member of the committee, that we should delay passage of this bill. I have not as yet been convinced of that. If there is anything of value in this bill we should proceed with it at once. It may not be to our satisfaction, but it is at least something. It is something better than what we have today. Of course some may not agree with that. I am convinced that it is better than what we have today. Many of the recommendations of the committee have been implemented by the government; others have not. But I do not think that any good would come from having this matter put over indefinitely. I say, take what you can get today, and then fight for the rest.

One of the loudest complaints of the Indians throughout the three years in which we were hearing evidence, hearing the witnesses and discussing the matter with the Indians and with other people, was the interminable delays by the department in all of the administrative activities. For instance, an Indian might rent a piece of property on a reserve. The money for the rent could not be paid directly. The lessee therefore would have to pay it to the Indian agent, now known as the Indian superintendent. In due course he would forward it to Ottawa. Ottawa in turn would put it into the consolidated revenue fund or in some other branch. In due course the money would be applied for and would be paid out, but the delays were so intolerable to the Indian that he became rebellious, and I think righteously so.

In the liquidation of an estate upon the death of an Indian possessed of property the matter would be handled so slowly, in such a cumbersome way and with such long delays, that it is reasonable to assume the Indian was quite right in rebelling strenuously against such delays, which were intolerable. He had no way whatsoever of making any plans for the use of funds that were his in any way.

I will agree that since the committee has been set up, since the administration has been aroused to the need, and by force of public opinion, these delays have to a large extent been eliminated. I am sure that so long as we have ministers such as the Hon. James Glen, or our present minister, those conditions will not be tolerated in the department.

I think at this time it might be appropriate for me to pay my respects to the minister, because this is the first opportunity I have had to do so. I know he has taken a great interest in this work, because on occasion he has kept me after hours discussing the matter. I am sure that so long as he is in charge of the department we will have efficient and sincere administration. However, we are not certain that he will always remain in that position. Mind you, I think he will be there for many years; but, after all, time passes on and successions do take place, even in the ministry. However, I congratulate him upon having done an excellent job. While I may or may not like the bill, I am sure he has done the best he could with the material at hand.

I note that one of the recommendations of the committee was that a claims commission should be set up. Such a commission would consist of three or four members who would take care of the various claims that have been made for many years by the Indians, and settle them once and for all. The argument is now offered that such claims can now be made to the exchequer court. That may or may not be the solution. But I doubt very much that it would have the psychological effect that a claims commission would have. The United States has set the pattern because over there they have set up a commission which has worked most efficiently. It has been their experience that when a justifiable claim is made by an Indian it is disposed of, and that is the end of it.

Many claims were made to the committee by Indian organizations. I have a list of them here. They said they had been promised certain things at certain times by different officials or governments, both provincial and federal. Such claims as sores have a tendency to fester. They have a tendency to grow from a small beginning to great proportions. I should think that a claims commission would be a valuable addition, and not only would its value be apparent to the Indians, who would have their say and their day in court, but it would eliminate many of the grievances now being taken care of, so far as possible, by the administration.

Provincial rights may have been infringed. I remember one occasion in New Brunswick when Indians had gone on to public property —or it may have been private property—and had taken off black ash. It may be that some departmental head or government official at some time or other had said that black ash was public property and that they had the

right to take it. In any event a claims commission could settle a claim of that kind once and for all. If the Indians had the right to that black ash they could be given it, or a supply could be made available. Otherwise the Indian would be subject to provincial law. Perhaps I might explain that black ash is used in the making of baskets, and is greatly in demand in some quarters.

While the matter of voting may not be pertinent to this bill, yet I think there are some provisions which have reference to that matter. It is my view that the vote should have been given to the Indians, without any strings attached. However, we have the bill before us, and I am content to have this seed sown now, although I think it was a mistake not to give the Indians the vote. I believe it would have been better to have taken the long-range view and to have given them the vote, and for these two reasons: The first is that it makes the Indian more conscious of government and, secondly, it makes the government and politicians more conscious of the Indian. That condition is desirable, because if we are going to assimilate the Indian into the economic life of Canada, and into our social life, he cannot be assimilated by a process of segregation.

In New Zealand they have a system whereby they elect a certain number of Maoris who sit in their parliament. I do not approve of that system, because I believe that is a process of segregation, pure and simple. There the Maoris vote for their own representatives. In my view that would not be acceptable in Canadian political life. We certainly do not want to have any one section of our country stand as a festering sore; rather we want the people to be assimilated so that they will join as one. It may be that they may hold different views and different opinions, but socially they are one.

In South Africa they have a system whereby the blacks elect a certain number of whites to represent them. I do not favour that system, either. In my view the Canadian system of representation is the proper way of selecting governments for this country. While I will not say I was disappointed, I do believe a mistake has been made in this connection. However, in due time that will be corrected. Time will show whether we are right.

I was most interested in the announcement made a few days ago by the minister that a form of pension would be paid to aged Indians. Not only are these Indians in need of this assistance, but the granting of such a pension will boost the morale of the Indians and also of the Canadian people when they realize that these people who are so greatly in need are being given the necessary assistance. I would think that this pension of $25 per month would be better under the administration of the Minister of National Health and Welfare (Mr. Martin). It should be placed on the same basis as other pensions. I hope also that the recommendations made to the committee on old age security will also bear fruit and I am hopeful that all the people of Canada will be placed on the same basis so far as pensions are concerned.

It was recommended by the Indian affairs committee that the administration of Indian affairs be headed by a commissioner with two assistants, one of whom should be an Indian. Eventually that will have to be done and I am sorry that the government has not seen fit to implement that recommendation. Some may say that there are no Indians qualified for that position, but that is not correct. There are many Indians in Canada who are highly educated, who possess great cultural qualities. There are many Indians who are doctors, lawyers, magistrates, legislators and they are to be found in many other professions. As I say, eventually I think the government will realize that at least one Indian should be on such a commission. It would lift the morale of the Indian and make him feel that he was part of the Canadian life. It would give a spiritual boost that would last through the centuries if he knew that one of his brethren was at the head of the administration of Indian affairs.

I would not like to conclude my remarks without making some comment on the parliamentary inquiry that was made. As the minister said in his opening remarks, the Indian Act was last amended in 1880, about 70 years ago. If it is not provided in the bill, I think it should be announced that a parliamentary inquiry into Indian affairs will take place every five years to begin with, and then perhaps, later on, every ten years. A matter like this should not be left for 70 years before being reviewed. We are not dealing with material things, we are dealing with the lives and habits of 130,000 people, a people whose numbers are increasing at the rate of five per cent per annum.

While this might be more properly discussed on the minister's estimates, I think a larger allowance should be made for departmental travel. One of the curses of Indian administration is the fact that by force of circumstances the administrators are required to sit at their desks in Ottawa without the advantage of having firsthand contact with the matters they are administering. In my own case I know I have gained great benefit by going to see the things I was dealing with;

it has given me an entirely different viewpoint. It has broadened my outlook considerably with respect to the Indian question.

Finally I would recommend that there be set up among the white people advisory committees to bring about greater intercourse, socially and educationally, between the Indians and the white people. We provide aid for crippled children, we provide aid for the blind, we provide aid for this and that, but here we have 130,000 needy people in our midst and we do nothing whatsoever to assist them to become good Canadian citizens. Much could be accomplished along these lines.

Before closing I should like to pay my respects to the department for setting up the homemakers' clubs which might be likened to the women's institutes throughout Canada. Through these clubs the women on the Indian reserves learn to do things in and about their homes, things that are artistic and things that are necessary. They are being encouraged by the department and are doing a magnificent job. I repeat that there should be set up advisory councils or committees or auxiliaries, call them what you like, to assist these people. Let us help ourselves in getting their viewpoint and let us help them in getting our viewpoint for the betterment of all Canada.

Mr. J. A. Charlton (Brant-Wentworth): Mr. Speaker, in making the few remarks I have to make on the second reading of Bill No. 267, respecting Indians, I should first like to congratulate the minister on having finally brought forward this legislation. I had the privilege of sitting on the committee in 1946, 1947 and 1948. After three years of deliberation by that committee and after having waited some 70 years to revise this act, I am disappointed in the provisions of the bill that has been brought forward. I believe many more people across Canada are disappointed in what is contained in the bill to amend the Indian Act. For too many years our Indians have been governed by antiquated legislation. Having waited so long, I am very sorry that the new bill is apparently being pushed through in the dying days of the session, especially in view of the fact that the Prime Minister (Mr. St. Laurent) said on May 5, in answer to a question by the hon. member for Lake Centre (Mr. Diefenbaker), as recorded at page 2205 of *Hansard:*

> Mr. Speaker, I appreciate the tone of the representations made by the hon. member for Lake Centre and the spirit in which he made them. Nevertheless it is our understanding that the Indians are anxious to have this legislation brought before parliament. This matter has been discussed. The department felt it had all the information required for the drafting of the legislation, and that it would be desirable that the bill be given first reading and be distributed, and then that a sufficient lapse of time be allowed so that interested chiefs and other members of their bands may see what it contains and make representations. Of course it is legislation in the interests of the Canadian nation, but more particularly for the Indians themselves. If it appeared from their reaction to the bill that they would prefer not to have it adopted at this session but rather to have further discussions with them and further consideration of the legislation, their views would be given sympathetic consideration.

If the Prime Minister meant what he said at that time, surely sympathetic consideration means more than forcing the bill through at this late stage after giving the Indians at the most two weeks to study the bill from the time it received first reading. I know in many cases they have not even seen the bill yet.

The statement has been made on several occasions that it is the desire of the government to gradually assimilate all Indians. The minister used a different term this afternoon and said that the desire was for an integration of all Indians into the general life and economy of the country. This statement is borne out by the interpretation in a number of newspaper articles. In the Ottawa *Journal* of June 1, 1950, there is an article with the heading:

> Canadian Indians to get full citizenship in few years

The article reads in part:

> Canadian Indians in a few years will enjoy full citizenship rights, including the franchise, it was predicted in informed quarters today.

In the *Globe and Mail* of June 8, 1950, there is an article with the heading:

> Offer vote, liquor in new Indian bill

The article reads in part:

> Provision for enfranchisement of Indian bands at the discretion of the government where more than 50 per cent of the band has voted for the franchise is laid down in the long awaited Indian Act amendments introduced in the commons today. Such action, however, automatically wipes out the reservation and establishes it either as a municipality or part of a municipality.

Why the bill is being rushed through at this time the government alone knows. Certainly such a procedure is not in accordance with the statement made by the Prime Minister on May 5. Surely sympathetic consideration should mean more than that. I have certain editorials indicating public opinion as to Bill No. 267. In the London *Free Press* of June 9, 1950, there is an editorial headed:

> Is Government "Indian Giver" in New Bill?

The editorial reads:

> Government action to help Indians in Canada attain full citizenship rights is long overdue. The new bill which is being introduced by Hon. Walter E. Harris is based on long and careful study. There

are indications that it may not be as far-reaching as many people hoped. Apparently it aims at a gradual evolution from the present position of wardship.

In the Vancouver *News-Herald* of June 17, 1950, there is an editorial headed:

Betrayal of the Indians

The editorial reads in part:

Who is responsible for the shamefully inadequate piece of legislation that has been offered to the commons as a new Indian act?

The *North Shore Review* of Friday, June 16, 1950, in an editorial headed "Governmental hypocrisy", has this to say in the first paragraph:

If federal government plans to rush through its inept revision of the Indian Act are not checked, Prime Minister Louis St. Laurent will go down in history as an inglorious traitor to our native citizens.

Mr. Harris (Grey-Bruce): Do you believe that?

Mr. Charlton: In the Vancouver *Sun* of June 19, 1950, there is an editorial headed: "Not Good Enough", and the first paragraph reads:

The bill introduced into parliament by the government to revise the Indian Act is a vast disappointment to friends of the Indians. It should be withdrawn and given further consideration before it is submitted to the next session of parliament.

These editorials represent the views of some of those who have taken a kindly interest in the troubles of the Indians. Surely, Mr. Speaker, our first citizens deserve better treatment. They pay most of the taxes we pay. They willingly fought beside their white brothers in two world wars. I was rather amazed at a statement made by the Minister of Citizenship and Immigration (Mr. Harris) a few days ago which appears at page 3815 of *Hansard*. It reads:

It has often been said—and I think some of the hon. members opposite and perhaps some on this side have said it—that the Indian was a second-grade citizen at the moment. Without admitting that, I hope the house will understand that we are trying to make him an equal citizen; but I do not think we should go one step further and make him a preferred citizen as against all others in the community.

I think most Indians will resent the statement that anyone has rated them as second-grade citizens. Certainly they have taken their part in most of our activities. As I said previously, in two world wars they fought beside their white brothers and gave their lives. Surely after the treatment they have had in the last seventy-four years they deserve a little extra consideration at the present time. In endeavouring to express the feelings of the members of the Six Nations reservation at Brantford, I think I can do no better than to quote from the brief which they presented at the time of the sittings of the special committee. The final portion thereof reads as follows:

Finally, apart from the preceding brief which deals almost entirely with matters affecting the revision of the Indian Act, we would draw your attention to certain remarks of various witnesses who have appeared before you, whose statements we have read with considerable interest and with astonished amazement. To refer to one in particular your witness was speaking of the reserve at Brantford, our own Six Nations—"I think we must look forward to their gradual assimilation." We very much resent those remarks as we are proud of being Six Nations Indians. We are thankful we have sons and daughters, and we hope that they, like ourselves, will grow up with pride in the fact that they are first Six Nations Indians, and secondly good Canadians.

We as a people bitterly resent these suggestions of assimilation or absorption, and cannot accept such as inevitable.

We remember well the words which appear on Chief Red-Jacket's monument in Buffalo: "When I am gone, and my voice is no longer heard, the avarice and guile of the white man will prevail. My heart fails me when I think of my people, so soon to be scattered and forgotten."

What possible justification can there be for it to be so frequently urged that Indian reserves must be broken up before the Indian can attain his rightful place in equal partnership with his fellow Canadians?

That is signed by the secretary and chief councillor of the Six Nations reserve. I have taken the stand previously in the house as well as in the committee that it is not the desire of most Indians, certainly not those of the Six Nations at Brantford, to be assimilated fully and completely into Canadian citizenship if that will mean they must give up all the rights they have so well earned and so well deserve. That they must give up the right of exemption from personal income tax in order to get the vote is just one thing. No wonder for the past few years the Indians have been pessimistic, sceptical, distrustful and suspicious of their white brothers and what they have done. They have been pushed aside on small sections of land, in some cases not very good land, and left to get along as best they could, with very little say in their own affairs.

In conclusion I would ask the minister to reconsider the advisability of rushing this bill through at this time.

Mr. H. O. White (Middlesex East): Mr. Speaker, I rise to take part in this debate on the Indian Act because of the fact that near my home there are two reserves, the Munceys and the Oneidas, and in addition I have had the privilege of visiting the Cree Indians at Moose Factory and also the Indians on the Pacific coast at Alert Bay and Kingcome Inlet.

I do not suppose it would be possible within the immediate future to right all the wrongs that have been done the Indians in

this country in the last couple of hundred years, and particularly since 1867. I do not intend this evening to go into all the things that could and should be done to improve the Indian Act, but I want to point out a few things that I believe are apparent to every Canadian who has given any thought to the problem now before us. Through the years mistake has followed error, so that today the Indian, still a ward of the government, has not taken his rightful place in the councils or the economic life of the country. Any plans we make here should take that fact into consideration.

One of the first steps along that line should be to provide education that, as far as may be possible, is equal to that which is available to our own children. Certainly it will not help solve the problem to continue into the future a system that has proved a failure ever since 1867. The original citizens of this country deserve a better deal than they have had so far. Let us not propose to prolong these injustices. In many attempts to deal with the Indian affairs branch I must confess that while I was courteously received, actually the problems were not attacked as I felt they should be. I had the impression that I was being given a bit of a run-around, and that they were dealing with me as they have dealt with the Indians for the past seventy or eighty years. When any information was desired, instead of taking the word of the Indians or their neighbours they referred to the officials administering the act, and of course they got the answer you would expect; that everything was all right and no change should be made. That, I think, is the wrong approach. They more or less exhibited toward me the feeling that I also was a ward of the government.

I mentioned that education was the first great step toward bringing these citizens fully into the economic and political life of the nation. I had an opportunity to visit one of the Indian schools at Moose Factory. Something was said about many of these Indian schools being operated by one or other of the religious organizations of this country. I must say the one I had the pleasure of visiting was in my opinion very efficiently operated. They were trying to do the best possible job with very limited finances. I believe that has been one of the handicaps that have beset those concerned with the education of Indians throughout the country. While at Moose Factory—and I am sure the Minister of National Health and Welfare (Mr. Martin) will appreciate this—I also had the opportunity of visiting the new hospital being built there. It is a fine building, though at the moment I am saying nothing as to its cost.

Many of the problems that seem almost insurmountable today will fade into insignificance when equal educational opportunities are provided for all citizens. The hon. member for Brant-Wentworth (Mr. Charlton) just mentioned the part played by the Indians in two world wars, when they proved they were at least our equals. I believe they can do the same thing in every other field of endeavour if given the proper opportunity. I would not want to guess how many million dollars we have spent to rehabilitate Europe, though all that Europe ever gave us was a headache. Let us spend a small fraction of that amount on the first Canadians in this country.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I am taking part in this debate this evening because I have been following the work of the Indian affairs committee for the past three years. That is because there is an Indian band and reserve in my riding. Previous speakers have said their bands were the best. They are all wrong; I represent the best band of Indians in Canada. In taking part in this debate I do not want to take advantage of a privilege I enjoyed last evening, when I was one of the Indians representing that band at an interview with the minister. I want to congratulate him and to thank him for the courteous treatment he accorded us in listening to our requests and arguments for over two hours of his time. We know that he is busy, particularly at this time at the end of the session, with his estimates and this bill coming down.

I have had a great deal to do with Indians. I have not any letters, excerpts or extracts from papers to read to you because I have had a personal interview with my Indians from time to time, and I think I understand what they require. I think they should be treated in the same way as any other Canadian citizens. I have seen these Indians in uniform; I have seen them on their farms on the reserve; and I have seen them in many other places. With regard to my band, I want to say this. The chief was not here last night, and that is the reason I was in at that interview; but he arrived this morning. He is eighty-one years of age, and is smarter than most of us at fifty. He enlisted in 1914 and he took into the service with him at that time every young Indian who was eligible in that band. I think that is a record. He himself came out at the end of the war with a D.C.M. and an M.M. He also has a personal coin which was presented to him by the late General Sir Sam Hughes, on his return home.

This band of Indians that I represent, in Rama, Ontario, are just about as intelligent as any other group of citizens that I know about. They have their own Indian village. They have good farms. They have their own village hall. They have their own schools. I want to say that out of that school have come teachers with second class permanent certificates and I think one or two—one in particular—ministers of the gospel have left the reserve and gone to work in other parts.

I do not speak now because I think this bill is all bad or that the Indian legislation is all bad. There is some good in it. I think the time is over-ripe for giving the Indian the vote. That is one thing that has come about recently. He should have had it before. It is, however, a start in the right direction. He may have to be subjected to the income tax in order to receive that privilege, but I do not think that will affect him greatly because there are few who ever come within the category of paying income tax. In this band in particular, apart from the farmers, quite a number of the younger men work at the chemical plant within a mile and a half of the reserve; another group work in Orillia in the factories. Of course they are subjected to income tax at their place of work each and every pay day, so they will not be affected by that provision in that respect. Nor will it affect the Indian who was a veteran of either of the great wars. All in all, I think the minister can take it up with his officials, take it a little bit further and give them a free vote the same as everybody else.

Out of this band, as well as teachers and ministers, have come great athletes. We have good ball players, good hockey players, and good lacrosse players. One thing we must not forget is that if the Indians have deteriorated in any respect, it is not their fault. It is our fault for the treatment we have given them. Looking back a few years, I can quite well remember that the greatest long distance runner of all time was Tom Longboat, a full-blooded Indian.

There is in this bill one piece of legislation that I do not just like. Probably it is a move in the direction of freedom, but it has gone either too far or not far enough. I refer to the rights or privileges of an Indian to have alcohol or alcoholic drinks. At page 34 the bill goes on to say what happens to the Indian or to set out the penalty he will get if he is caught in possession of intoxicants off the reserve. Then down a little farther it deals with the penalty he will get if he is caught in possession of intoxicants on the reserve; so whether he is on the reserve or off the reserve he is subject to fine and imprisonment in any case. Then the bill goes on to provide for certificates of analysis as evidence and the section reads:

> In every prosecution under this act a certificate of analysis furnished by an analyst employed by the government of Canada or by a province shall be accepted . . .

I do not think that is really the law with regard to a white person.

Mr. Deputy Speaker: Order. We are not in committee, and the hon. member may not refer to any particular clause of the bill. He must confine his remarks to the principle of the bill.

Mr. Hodgson: Very well, Mr. Speaker. That part of the act fines him if he is caught with liquor on the reserve or off the reserve. But a few lines farther on the act goes on to say that he can consume liquor in a beer parlour or cocktail lounge or other public place. That provision allows the Indian to go in and have a few bottles of beer. He knows that he cannot take any home. He knows that he cannot have any at home when he gets home, so therefore he is going to gulp down five or six bottles of beer, get half or three parts drunk and then go out. Then he is the victim of every bootlegger he knows, the same as any white man would be who was dealt with under the same circumstances. We should either allow these people to go into the liquor store, buy their liquor and take it home or they should not be allowed to have it at all. We should do either one thing or the other. There is no half-way method of handling liquor, whether you are dealing with Indians or Canadians of any other description.

Mr. Smith (Calgary West): The voice of experience.

Mr. Hodgson: Yes, the voice of experience. I was in the army with some of these Indians, and they did not get drunk any oftener than any of the rest of us nor were they any wilder than any of the rest of us when they did get drunk. Because their great-great-grandfather killed somebody with a tomahawk when he was full of firewater, there is no reason why that fact should be held over their heads for a hundred years afterwards. Probably if we looked back at what some of our ancestors have done, we might find that it was something just a little bit worse than that.

Some hon. Members: Oh, oh.

Mr. Hodgson: That is one point at least on which I think this bill should be held over until the provincial conference has been held, because we all know that the administration of the liquor control act must be by the

provinces. There must therefore be some acceptance of this act by the provinces before anything can be done about it.

Mr. A. L. Smith (Calgary West): I assure you, Mr. Speaker, that I shall not occupy your time for more than a few minutes. I want to make it plain that I do not speak as an expert. But I was born in a place called Assiniboia, which is now called Regina, Saskatchewan. In fact, the town did not even have that name. It was called "Pile of Bones". They had a legislature called the northwest legislature before the provinces were born. But the first job that paid any money—that is, aside from 25 cents a week for washing dishes and doing the dusting in my mother's house—was selling cloth at the treaty meeting time of the Indians on the Piapot reserve when they got their $5 a year. We had an industrial school there. We played a game called football. It was not described as the Secretary of State for External Affairs (Mr. Pearson) describes football. He is a younger man, and he and other people invented a stupid name, which they brought from England, called soccer. Therefore I do have some considerable knowledge of these people.

A few moments ago I heard an hon. member mention the name of Tom Longboat. I went to Osgoode hall in Toronto in the winter of 1906-07 or 1907-08. I got to know Tom Longboat very well. That was when Lou Marsh took him over to London, and he was so far ahead in the Olympic race at that time that he lost all his opponents. The Italian won out that year. I remember Lou telling me how he tried to revive Tom. Tom was so far ahead that the judges did not know where he was. He went down. This was the first time I had ever heard the expression: "I even bit his ear in order to bring him back into running form." However, that failed. After that he went down to Montreal and took part in the road race of that year, which was only a matter of six miles and something. I do not think his opponents have finished yet.

But in any event I speak not with authority. I do not claim that at all. But I do claim to have some knowledge of these people which I have gained in a humble way. I think I have some knowledge not of their capabilities which we get in statistics, but of other things, remembering as I do Tom Longboat, and the fine characters whom I have known from my school football days, or soccer, as this great coach called it who spoke in California the other day. However, it is a game that you play with a leather thing that contains a rubber bladder filled with wind. Frankly I am not expressing my view of the speech he made down there. I was merely describing the football regardless of what shape it may take.

I want to confine my remarks to one thing and one thing only. I present these remarks to the minister who has charge of this bill. In my constituency, entirely within my constituency, there is a reserve called the Stony Indians. May I say this for them. Search the annals of the criminal courts of Alberta as you will and you will not find one Stony who has ever been convicted of any crime, no matter how minor.

I know some of these fellows. They have never made me a chief. The answer to that is simply this: I have never been a chief publicity seeker. That is the only reason I have not been made a chief of that tribe. Let any of the great people, such as the governor general, come in there from the outside and we will get them made a chief in one of the two tribes we have, the Sarcees or the Stonies, without any trouble. We will give them a ten-gallon hat and hope they will have fun wearing it. I happen to know these people pretty well. I remember when Mr. Glen was in charge of this department. He sent for the hon. member for Calgary East (Mr. Harkness) and myself with respect to spending some money to buy some ranching country. He said: "Of course I cannot do it if there is going to be trouble." I have never had that kind of a call from the present minister. In any event, I assured him, as did the hon. member for Calgary East, that there would be no trouble.

The Stonies are a hunting tribe. They never were farmers, as were the Blackfeet and some of the other people we have in that province. They bought the ranches. They paid plenty of money because the Stonies, being hunters, were interested in animals. They had bad luck in those very bad winters we have had. The hon. member for Calgary East and I agreed most heartily with Mr. Glen, and it went through this house without any difficulty. I mention that, Mr. Speaker, only for this reason. The request came from them. It got consideration, and all anyone had to do was what Mr. Glen did, speak to us, who were the only people interested because it was right near our home city. The thing went through quickly. I am quite sure it was a charge on the funds of the band, because they did have considerable funds at that time.

Here is the question I want to put to the minister: Why in the world does he want to put this thing through the house in the closing days of the session? I assume

that he will answer. I listened to his opening statement, but I failed to find anything in it which justifies the urgency of doing it at this time. You can correct me, sir, or anyone else can, but I listened to the Prime Minister (Mr. St. Laurent) in this house some time ago. I cannot quote him accurately, but I gathered from what he said that the bill would come down. I remember his words. He said that plenty of time would be left for representations with respect to the bill. Perhaps I am not word perfect in what I have said, but, sir, I give you my word of honour that I took what he said to mean this: we would get the bill this year, we would find out what was in it and that plenty of time would be given to interested persons to make representations.

Now, speaking only for the little territory that I represent, I know the bill has not been distributed in time to permit these people to make representations. It is no answer to them to say that they will not agree; that they did not agree before the committee which sat on Indian affairs, and was followed by the commission on Indian affairs. That is no answer. My whole point is this: They are entitled to be heard. I put this, sir, as one of the bases of law in this country. First, that no man shall be condemned without being heard, without being given the opportunity of putting his position forward. I use the word "condemned" first because of its narrow interpretation in the basic law of this country. I add to that this thought, that no person shall have his rights taken from him, added to or subtracted from, unless he has the opportunity of being heard. I believe the minister will agree as to our personal friendship. He knows of my admiration for him as an individual. However, as a minister of Indian affairs I hope I may be forgiven if I withhold my praise.

I have not been active in the practice of law for some time, but I do remember an instance where the charter of a corporation was cancelled. It was within my knowledge that they were a gambling outfit—and that is all they were. I have acted for lots of gamblers, and I know how they operate. They got themselves incorporated, and gave themselves a name—I have forgotten just what it was. The authorities in my province cancelled their charter, and the case went to the courts.

Someone may say that the final decision was morally wrong, but the fact is that the cancellation was set aside on the broad basis that they had not been notified, that they had not been heard, or given an opportunity to advance their position, whatever it might have been.

So I say to the minister now that he will avoid infinite trouble if he will just allow these people to be heard. In doing so he will be following the finest precedents in British and Canadian jurisprudence. I make no effort to discuss this or that section, but I do say this, that it is no answer to say that the Indian population will not agree. I do not think they will, and I do not know why they should. They have recently shown an independence of mind which I suggest permits me to make that statement, and with justification. But never let it be said that the parliament of Canada passed an act dealing with the whole Indian population of our country without first having heard them.

That is my real point. Let us suppose we do not do that. Let us suppose we put this thing through now, as the minister has suggested—at least I think he suggested it. What would it mean? It would mean that we have dealt with a portion of our population who are bound together by their ethnic origin, a people who were here long before we were, and that we are saying to these people, "This is the law."

I know the answer can be made that all the Indians in Canada were invited to attend before the committee. Like the hon. member for Rosetown-Biggar (Mr. Coldwell), I spent a good deal of time there, although I was not a member of the committee. So we come to two courses of action. The first is that we will put this thing through and, as the minister has said, let it be amended next year or the year after. I compliment the minister and all the members of that committee upon having done a fine job in endeavouring to produce, perhaps not a Magna Carta but at least a charter for the Indians of Canada. The second course would be that, having placed the bill before the house, he would not insist upon proceeding with it.

Second thought is sometimes better. In dealing with this numerically small section of our population let us never forget that we are dealing with a whole race of people who have been here infinitely longer than we have. It would seem that in this instance we are telling people who happen to have different coloured skins, "Thus and so is the law. That you will do, and without a hearing."

I come back, not to British law but to British jurisprudence under which no one shall be condemned and no rights shall be taken way except he be heard. I could cover the French law, if hon. members wished. I admit it comes from an entirely different origin, namely from the early Roman law. However the development in French civil law was after the absolute monarchs of France gave way, and after the intendants in this

country ceased to have absolute authority. From both of these has developed the principle that there must be no interference with the rights of anyone without first having given him the opportunity to be heard.

Someone will readily say, "If you bring the Indians here, they will not agree." No one can help that; that is democracy itself. If all the people in west Calgary had agreed I would not be here—I would be a long way off, and someone would have taken my place. So I put it on this solid basis, that there is no rush about this matter. I gathered from the remarks of the Prime Minister (Mr. St. Laurent) that all summer would be given to those of us who assume we are entitled to be called legislators, and to this government who assume that they are God Almighty above, and a dozen or two of the apostles—they do not stop at the twelve. I had understood that there would be that opportunity given.

It is no answer to say that the Indians would not agree. We may not agree, but the majority opinion rules in a democracy. I know the minister's intentions are good. But, if he will hear these people, either agreeing or disagreeing with them, and despite differences of opinion on this or that section of the bill, he will have no trouble with an Indian charter. Let it never be said that, in dealing with an entire group whose skin happens to be a bit different in colour, we have said, "This way thou shalt go, and no other; there shalt thou lie"—and I am spelling that word in its proper way.

I do not think I can be accused of being political when I ask the minister to delay this legislation. There are no benefits that anyone could imagine, let alone think of, to be derived from hurrying this through at this time. The minister has nothing to lose by delay; he has everything to gain by waiting until next year before presenting this new charter under which we shall welcome our Indians to brotherhood. This charter should not be put through until we have had a chance to hear what they think of it.

I repeat that there is nothing to be gained by hurrying and there is everything to be gained by waiting. This is not an emergency. If I were sitting where the minister sits I probably would take the same view. He has taken on a new job and it is characteristic of him that he wants to get it started. But impatience has never been a virtue. No matter how idealistic the minister may be, he should not rush through this legislation until the people who are opposed to it or who are in favour of it have been heard.

Mr. G. M. Murray (Cariboo): Mr. Speaker, I would not have taken part in this debate were it not for the fact there are some 3,000 Indians within the riding of Cariboo, and among those Indians are some educated, wide-awake and progressive young men and women. They are not like the hon. gentleman who has just spoken and who has been so long in southern Alberta among the Stonies and the Blackfeet that he has got into the habit of putting off things until tomorrow—

Mr. Smith (Calgary West): At their request.

Mr. Murray (Cariboo): —or next week.

Mr. Smith (Calgary West): At their request. Do not let us be silly.

Mr. Murray (Cariboo): I recall one experience I had which illustrates the position here. On a hot day I was travelling along the Cariboo road. The United States tourists were rushing up into that very favoured part of western Canada. The dust was thick and, as I say, it was very hot. I came along to where there was a beautiful waterfall and under a tree there lay a young Indian. He had tethered his horse, unsaddled it and had the saddle under his head. There he was lying pleasantly and happily about four o'clock in the afternoon. I stopped to fill my radiator and I said to this young Indian, "What are you doing here?" He said, "George, I am waiting for the sun to go down." That was a very wise thing to do on a hot day on the Cariboo road. That is what our Conservative friends are waiting for tonight. They are waiting for the discussion to die down and for someone to come along with a new charter, a new amendment or something at some time in the future. I submit that we should go ahead with this legislation introduced by the splendid young minister who is so representative of young Canada and who wishes to make a contribution toward his country.

There are just as many different kinds of Indians in Canada as there are different kinds of members in this House of Commons. I know the Indians from one end of the country to the other. When I go to Montreal and see some of these steel workers I realize that they are just as smart and clever, that they have just as much money in their pockets as any of the white wage earners around Montreal. Then I go up into Brant county and I can see no difference between the farms of the old Canadian stock and those of the Indians. The Indians are just as progressive, they have just as fine houses and barns, their fences are in as good repair and they look after the cultivation of their land as well as the other inhabitants.

Then you pass on into the west and you get into the Cariboo country which stretches 700 miles from north to south. There are

many types of Indians in that region. Some years ago at Williams Lake there used to be an Indian known as Eagle Lake Henry. He would come into Williams Lake in the fall of the year with 500 head of cattle and sell them in competition with the other ranchers. He was not particularly educated but he knew his arithmetic. I often think how splendid it is that some men are well educated in arithmetic. After selling his cattle he would buy tractors, machinery, combines and so forth. Yet he was an outcast; he was not one of us although he was one of the big operators in the country.

Then as you go north up around Prince George you find the Beaver and the Cree, a different type of Indian. In my youth I knew Pauline Johnson, the great poetess, whose verses are as beautiful as any ever written by any Canadian poet. I did not know Oronhyatekha, who was known as Old Iron Teakettle, who in his early days was one of the leading financiers of the country. A bronze statue of him stands in Toronto. He was a full-blooded Indian with great culture and ability.

I think also of the sisters of a certain religious order who are operating a hospital and school at Williams Lake with a standard equal to anything in our country. Then there are teachers and others.

The legislation before us is a start. It is not perfect because man, whether white or otherwise, with all his ingenuity and gifts is not perfect and his legislation is never perfect. But this is a start toward establishing the Indians of Canada in their proper position as Canadian people.

Without quibbling and without splitting hairs this legislation should be passed. Later on amendments can be made. The laws that we make today are not final. I call upon all members in the house to give the minister support at this time in making a start in establishing a true democracy in Canada where there will be no division of colour or of race or of religion, where all Canadians will be equal under the law.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, with the concluding words of the hon. member for Cariboo (Mr. Murray) I am in entire agreement, and it is just for that reason that I am going to speak in opposition to the bill. I was one of those who believed that out of the Indian committee would indeed come a charter that would be beneficial to the Indians of Canada. On May 5 I asked the Prime Minister (Mr. St. Laurent) —and I am not going to read it now because it has been read before—whether an opportunity would be given to the Indian population to consider the bill to be introduced. I did that in no partisan way. This is one subject that we can and will deal with in a non-partisan manner for the reason that the bill in its present form affects the political future of none of us.

The Prime Minister said that he appreciated the tone of the representations I had made and that the matter would receive the consideration of the Indians across this country. I listened this afternoon to the remarks of the hon. member for Essex West (Mr. Brown), who was chairman of the committee on Indian affairs. He earned for himself as chairman of the committee a reputation for a willingness and desire to contribute something to the welfare of the Indians. His statement, his observations and his conclusion regarding the bill were a miracle in terminology. I cannot repeat word for word what he said but it was to the effect that as far as it went, whether or not he agreed with it, he believed that the minister had done as much as he could. Whatever he meant, one thing stands out, that he as chairman of that committee was disappointed with the bill.

It is a mirage, Mr. Speaker. It is no charter. It is merely an alteration of some of the provisions of the Indian Act intensified in so far as administrative officials are concerned to make them more powerful than they have ever been before under the Indian Act as it has existed since 1880. The hon. member for Cariboo says: Let us have equality under the law; let us maintain freedom; and the minister brings to the house a bill that is a negation of freedom, a denial of equality under the law. Indeed it provides that Indians can have no recourse to the courts unless they have the permission of the minister to proceed. When I compare the report that the special committee on Indian affairs made on June 22, 1948, with the bill now before the house, it is obvious that the master hands of the administrative officials of the Indian affairs branch have wrought changes that parliament never thought of. After speaking of the purposes of the amendments to the act the report of the special committee reads as follows:

> In order to achieve these objectives, your committee recommends, in addition to other recommendations hereinafter set out (a) that the revised act contain provisions to protect from injustice and exploitation such Indians as are not sufficiently advanced to manage their own affairs.

When the minister replies let him say what new section of the bill implements protection of the Indians from exploitation. Other recommendations were:

> That greater responsibility and more progressive measures of self-government of reserve and band affairs be granted to band councils to assume and carry out such responsibilities;

That the offence and penalty sections of the Indian Act be made equitable and brought into conformity with similar sections in the Criminal Code . . .

That the Indians be accorded the same rights and be liable to the same penalties as others with regard to the consumption of intoxicating beverages on licensed premises, but there shall be no manufacture, sale or consumption, in or on a reserve, of "intoxicants" within the meaning of the Indian Act;

That it be the duty and responsibility of all officials dealing with Indians to assist them to attain the full rights and to assume the responsibilities of Canadian citizenship.

Then these recommendations are made:

Your committee recommends that rules of the House of Commons be amended to provide for the appointment of a select standing committee on Indian affairs.

Your committee recommends that a commission in the nature of a claims commission be set up, with the least possible delay, to inquire into the terms of all Indian treaties in order to discover and determine, definitely and finally, such rights and obligations as are therein involved and, further, to assess and settle finally and in a just and equitable manner all claims for grievances which have arisen thereunder.

The bill in its present form simply places the Indian in a position where he will have no equality under the law, where he will be at the beck and control of officials on the various reserves. Rights? He cannot take a case to court when there is wrongdoing unless he has the permission of the minister. Appeals provided for? There is an appeal from the official in charge of the reserve to the minister, from the hired man to the hired man's boss.

Mr. Mitchell: May I ask my hon. friend a simple question?

Mr. Diefenbaker: Surely.

Mr. Mitchell: You say he has no right to appeal without the permission of the minister?

Mr. Diefenbaker: That is what it says.

Mr. Mitchell: Read it.

Mr. Diefenbaker: I am glad the minister asked that because there is no greater exponent of the abiding principles of British freedom than the minister.

Mr. Mitchell: Absolutely.

Mr. Diefenbaker: I knew the fact that those provisions were in there would shock his British sensibilities. I feel sure that the minister will now join the rest of us.

Mr. Mitchell: Sing your Christmas carol and get it over with.

Mr. Diefenbaker: You know, I love to hear the minister expatiate on British traditions and principles and read parliament these wonderful lectures on parliamentary government. Nevertheless he is a member of a government that brings before the house a bill that denies to the individual Indian that freedom and equality referred to by the hon. member for Cariboo. When an Indian commits an offence under the proposed act or is alleged to have committed an offence, who tries him? Is it the ordinary courts of law? No; those who try him will be the Indian agent, or an official of the Indian department, or appointees of the minister who will act as justices of the peace. I cannot understand the reason for these provisions. Why should an Indian be tried for a criminal offence before an appointee of the department of Indian affairs? Why should he not be tried by the ordinary courts of law? Why the denial of those principles for which the Minister of Labour (Mr. Mitchell) speaks so volubly on so many occasions?

In its present form this bill is a travesty on the representations made by members of both houses of parliament. Members of this house and of the other place met together for three years, and then brought in recommendations. Those recommendations, except with respect to administrative difficulties which have existed over the years, did not result in material changes which would benefit the Indians of this country. I point to something else that is not being done. Why has no action been taken on the recommendation that a commission be set up, so that the Indians may not continue to feel that have been unjustly treated, as they have? In 1931 or 1932 the department permitted one action to be brought; it allowed one petition of right to an Indian band in Saskatchewan, and what happened? The action was tried; the Indian department and its officials were shown to have wrongfully applied some $20,000 belonging to that band and held in trust. Have they been granted the right to sue since? I know several solicitors who have endeavoured to obtain petitions of right and failed. That was prior to the appointment of the present minister, but I know of no change that has taken place in that regard since. These Indians, deprived of their rights under treaty, have to ask leave in order to sue, and that leave is not granted. Fiat after fiat has been refused by the Department of Justice to Indians who desire to assert their rights in the courts of law.

Mr. Harris (Grey-Bruce): What bands are you referring to?

Mr. Diefenbaker: I refer to the bands in northern Saskatchewan. The action I mentioned had to do with the band at Mistawasis. The minister will remember it; the department lost the action, and wrongdoing was

established before the court. Since that day no Indian band in Saskatchewan has received permission to sue the department for wrongdoing. Matters like this are embalmed in this bill, and these are the things that will be perpetuated if this bill becomes law.

I could go on and refer to various other matters, but suffice it to say that there has been a serious endeavour to solve the difficulty in relation to citizenship. I know that difficulty. The hon. member for Calgary West (Mr. Smith) mentioned that the Indians might not agree on many matters if they were given the opportunity to appear here. Some want citizenship; others do not. As a result a novel plan has been adopted. How it will work out I do not know, but as far as the plan for citizenship is concerned it does represent a serious attempt to do something to solve the almost impossible situation that prevails today. As far as giving the Indian an opportunity to benefit himself is concerned, or to raise his standard, in its present form this bill is nothing but a perpetuation of bureaucracy and bureaucratic control over the Indians on the reserves. If it is passed the rights of the Indians will not be increased in any way, while the power of the officials on the reserves will be just as great as in the past, if not greater.

This act was passed originally in 1880, before the rebellion of 1885. Conditions were different then. A few amendments have been brought in since. Two committees of parliament have met and discussed the matter, prior to the appointment of the last committee two or three years ago. The law respecting Indians is a denial of the principles we accept under the United Nations. As it is now drawn this bill places these people in a position of wardship, making it impossible for the individual Indian to preserve and protect his rights against the tyranny of officials. Why those terms? Why not place the Indian in a position equal to that of other people in this land as far as the law is concerned? Why place him in the position that when he is charged with an offence he must be tried by the person who prosecutes him? On the one hand the Indian agent on the reserve says this man committed an offence. The trial will take place before another official appointed by the department, often a junior official on the reserve. Will you get justice that way? Will you preserve the rights of the individual? By legislation such as this, dealing with people who are operating under the difficulties that have been theirs for generations, will you lessen the intensity of their feeling? All this will do is emphasize their feeling that parliament is not regarding them seriously, that parliament has failed to carry out what was recommended by a parliamentary committee.

Why the rush? The hon. member for Calgary West made a powerful, meaningful plea in that regard. What changes are in this bill that cannot be brought in after the Indians have had an opportunity of considering it? While the hon. member for Calgary West was speaking I received my mail. Here is a letter from an outstanding clergyman in the city of Calgary, who says:

I must confess that I know very little about it—

Mr. Murray (Cariboo): On a matter of privilege, Mr. Speaker, I believe this is out of order. It was so ruled this afternoon by Mr. Speaker, and I believe the same rule should apply now.

Mr. Diefenbaker: That is not a question of order at all.

Mr. Smith (Calgary West): He rose on a question of privilege.

Mr. Diefenbaker: Then I presume I may continue?

Mr. Murray (Cariboo): After that legal advice I will raise a point of order and ask that this be ruled out. The reading of a document, a letter or telegram, was ruled out of order this afternoon by Mr. Speaker, and this therefore should be ruled out of order as well.

Mr. Deputy Speaker: In some circumstances it is permitted. The hon. member may continue.

Mr. Diefenbaker: I will give the name of this clergyman if the minister wants it, or if the hon. gentleman wants to interview him. He is Rev. William Bonney, of Calgary, who says:

They feel that the bill is not fair to the Indian and therefore they are protesting to the minister and others not to rush the bill through until the Indians themselves have had a chance to study and make recommendations.

That is the attitude of Indians throughout the province of Saskatchewan. I have representations from Indians in six reserves in northern Saskatchewan. They are asking why it is that the representatives of the great white father, the Prime Minister of Canada, indicated we were going to have this opportunity. The minister will say that the bill has been sent to the Indian agents. All I can say is this, Mr. Speaker. The Indian agents have been studying the bill but those affected by it, the Indians themselves, have had no opportunity of studying it and considering it.

Mr. Casselman: The same as the members of the house.

Mr. Diefenbaker: As a matter of fact, Mr. Speaker, the Indians are asking parliament not to lay on their shoulders burdens beyond what they already have. They are asking why it is that the recommendations which were made by the committee are not being carried out. They are asking why it is that, while we give high-sounding support to their claims under treaties, we deny them the opportunity, except with the permission of the Minister of Justice (Mr. Garson) or of the minister, of proceeding in order to establish their claims. Indeed one section, which was referred to this afternoon by the hon. member for Calgary East (Mr. Harkness), denies the Indian the right, without the consent of the minister, to raise any funds with a view to asserting his rights, protecting his privileges or taking proceedings on behalf of his band. The minister indicates that such is not the case. I refer him, if I may do so, Mr. Speaker, to section 100. Without the consent of the minister the Indian cannot assert his rights if he is alleged to have committed a wrong—

Mr. Harris (Grey-Bruce): That is a wholly incorrect interpretation of section 100; but let us leave it to the period when we can discuss it in committee.

Mr. Diefenbaker: All right, I will. I am referring the minister to section 100, and I leave it for discussion when we get to the committee. Section 100, which I will read without observation, provides as follows:

> A person who without the consent in writing of the minister receives, obtains, solicits or requests from an Indian or a band any payment or contribution or promise of payment or contribution for the purpose of raising a fund or providing money to advance any claim that the Indian or the band has or is represented to have, or to recover money for the benefit of the Indian or the band, is guilty of an offence and is liable upon summary conviction to a fine of not less than fifty dollars and not more than two hundred dollars or to imprisonment for a term not exceeding two months, or to both fine and imprisonment.

Mr. Fraser: That is as plain as the nose on your face.

Mr. Diefenbaker: In other words, at a time when throughout the world freedom is being challenged, when the very nature of democracy is being challenged, we have before us a bill that places shackles on a large part of the population of our country, numbering about 125,000. For three years that committee sat. Now the mountain brings forth a mouse. Here we have not what was recommended by the committee but what apparently meets the desires and the wishes of the administrative officials. In its present form this bill is a perpetuation of bureaucracy over the Indian. It is a denial of his rights. It places him in the position of being a second-class citizen under law. It denies him freedom except with the consent of the minister or with the consent of some officials of the Indian department.

Magna Carta for the Indians! As I read this bill and re-read it—and I have read every line of it—I ask myself this question: What advantages that he has not today will this bill give to the Indian, except to provide for the opportunity of enfranchisement? There are changes in routine and in procedure but the Indian remains a second-class individual, not equal before the law—and parliament is asked to place its approval on that fact—controlled by the desires of a bureaucracy administering the act, when and if members of that bureaucracy decide that any Indian within the reserve shall be denied his rights or his privileges.

I care not what others may do about this bill. Some say there are worth-while provisions in it, and there are. In certain sections there are changes that are beneficial. But in order to secure those two or three advantages I personally will not vote for the second reading of that bill. I will take no part in the passing of a bill that goes contrary to the desires, the wishes, and the recommendations of a committee of this parliament. A Magna Carta for Indians! There is a redrafting of some sections, and a change in their numbers; but behind it all and through it all runs the thread of a subservience which I for one, knowing Indians and having acted for them on several occasions, will not join in supporting in this house, no matter what other members may do.

On three or four occasions I have had the privilege of acting for Indians and of carrying their cases to the court of appeal. I have done that because I believe that a counsel's duty is to represent these people who are denied many of our privileges. I have done it, as would any other counsel, without any consideration of payment. I would be false and recreant to the trust they have placed in me over the years if, in the dying days of a session, I were to join in the passing of a bill that will impose on these people the subservience of a second-class citizenship and a lower grade of right than the rest of us have. That type of legislation has no part in a world in which freedom is challenged and in which nations today, in order to maintain freedom, realize that you cannot build and preserve democracy on the basis of the inequality of any person before the law.

Mr. O. L. Jones (Yale): Mr. Speaker, I should like to make one or two observations and possibly a suggestion. One hon. gentleman mentioned the fact that we are dealing not with a subservient people or with slaves but with a nation. I fully realize that we

are dealing with a nation. But fortunately it is a kindly nation, and one that is tolerant and patient. The Indians have been tolerant and patient with white people for many generations; and they have been particularly tolerant of our reluctance to give them full freedom and to make them full Canadians. If the Indians were given an equal opportunity with all other Canadians, I am satisfied that they would hold their own with the best. In my riding, in the Inkaneep district, there is a small group of Indians. They were taken in hand some years ago by a teacher, and he was quite keen as he wanted to prove, as he did, that Indians could respond to a little bit of tolerance and patience in their education, with the result that he has in that district now a cultural group which sets a standard that could be attained by all Indians throughout Canada, given the same patient, tolerant education.

The British people have prided themselves for generations on their attitude toward minorities, and I take it we Canadians follow their steps. We have always fought for minorities, for fairness and justice to minorities. England has gone to war on the principle that minority rights were being violated in certain countries, but at home we are reluctant to do that. We are prepared to go to war with other nations for doing what we are doing.

Other nations have challenged our sincerity in regard to our own racial problems at some of the international conventions that have taken place in recent years. Our failure to accept our own Indians as full citizens has been thrown in our faces and will be thrown in our faces until we accept them as full citizens.

On the other hand, I would compliment the minister for bringing this bill down. It is a step in the right direction, but I do think it is a hasty step. It is a step which has been foisted upon the Indians without consultation with them, and on the house without proper opportunity to discuss the bill. I would appeal to his fairness, to his sense of justice, to hold this bill back until next session in order to give both the Indians and the members of the house an opportunity to consider it, particularly the members who go back to their ridings in which Indians reside. They can visit the tribes or settlements and discuss their problems and the bill with them. It would take a little time, but I am satisfied that every hon. member is interested enough in the problem to devote that time freely.

I would suggest to the minister that the bill be now turned over to a representative body of Indians, selected by the Indians themselves from each tribe or from each province to form a body composed of all of their different branches, whether farmers or artisans, it does not matter. They would be the representatives of the Indians in Canada.

I know we have paid tributes to their advances in education, and to their ability to govern. Let us act on that. Let them feel that we mean what we say. Turn this bill over to them and say to them: This is our attempt to place you in a higher status of society so far as Canada is concerned. What do you think of it? Mull it over. Come back with suggestions and let us know what your proposals are. Otherwise it is an imposition on people, whether Indians or whoever they may be, to say: Here is our bill; take it or leave it. This is what you have to live under for the next generation, or maybe longer, because it has been a long time since the existing act has been changed.

By that method we deny them the right of self-government, or a part in the government of the dominion of which they are the original members. Indians governed this country long before we came here, and they governed it pretty well. They conserved more of our natural resources, particularly wildlife, than we are capable of doing. They also governed their own people through their own courts, their own tribal courts. Probably they were rough, but they were fair. Here we are assuming the right to set up separate white judges to try the Indians, without giving them the opportunity—which they always had before we came here—to try their own people in their own way. I believe they could still set up their own courts of justice and give justice to their own people.

The modern Indian is quite capable of determining his own economic future if given an opportunity. I suggest that when this bill is turned over, if it is turned over to them, they be asked to send back recommendations. If they would prefer to prepare a totally new bill, giving their own point of view and their desires for their future, let us accept that bill and discuss it around the table and come to some definite conclusion that we are going to be honest and decent with the Indian, and that we are going to make him a full-fledged Canadian as quickly as we can in all sincerity.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I do not intend to detain the house long—

Some hon. Members: Hear, hear.

Mr. Herridge: I notice that the rookery on the opposite side has begun to caw, as I have begun to speak. I am in a unique position in this matter, Mr. Speaker, because I represent one reservation and one Indian.

Mr. Cote (Matapedia-Matane): You mean to say you are half and half.

Mr. Herridge: There is another tribe in my riding, known as the bareskin tribe, which is composed of about 1,500 people who are commonly known as the sons of freedom. I shall not discuss them.

Mr. Fraser: We will have a full dress debate on them.

Mr. Herridge: I want to say, Mr. Speaker, that where that one Indian resides today a few years ago hundreds of Indians resided and led a happy life. They have departed because of the coming of the white man.

When we are considering this bill tonight, Mr. Speaker, we should recognize that this legislation—springing, shall I say, or supposed to spring, out of recommendations of the parliamentary committee of 1946, 1947 and 1948—is our opportunity to do in this parliament the justice that has been so long delayed.

In opposing the passage of this bill at this time and in supporting the remarks made by the previous speakers, particularly the eloquent remarks of the hon. member for Calgary West (Mr. Smith) and the hon. member for Lake Centre (Mr. Diefenbaker), I do so because I believe that if we pass this bill we are failing to carry out our moral duty toward the Indians of this country.

I have had a limited experience with Indians. I have only had what you might call a book knowledge of the Indians of Canada except for those who lived in my own district. I remember when I first came from England, some 45 years ago, there was a small tribe of Indians living on the Upper Arrow lakes known as the Arrow Lake Indian band. There were twenty-four members in the band at that time. It had declined greatly in numbers since the first coming of the whites after the discovery of the Columbia river by David Thompson. But research by the Smithsonian Institution in the district indicated that prior to the coming of the white man hundreds and possibly thousands of Indians lived contented lives in that area. They were a peaceful people; they hunted, they fished, they grew a little corn. After we came what did we do for them?

History records that these people offered a friendly welcome to the white man. They assisted David Thompson in the discovery of the Columbia; they trapped for the Hudson's Bay Company many years and produced hundreds and thousands of dollars for that company. They acted as pilots on the first river steamers on the Columbia in Canadian territory. In fact they were the ones who guided those first steamers through the narrows and through the swift waters.

I remember, Mr. Speaker, in my boyhood days these twenty-four Indians. They lived in wigwams. As a boy I played with them. I went to the first primitive school established in that district. The students of that school were eight or nine Indian children and eighteen or nineteen white children. I saw those boys and girls grow up and take their places in the community. I saw the boys begin to work on the steamers as young men. I saw the women begin to work in various houses as young women, and on the farms in the district, and so on. Then the first war came on. What was my experience in that connection? During the first great war I was a member of the 54th Kootenay battalion. I would be failing in my duty tonight if I did not oppose the bill. I remember one occasion at St. Eloi in 1916, when a platoon was taking part in a raid and was likely to be completely wiped out. The reason the majority of the members of the platoon were able to retire, and their lives saved, was that one Indian member in that platoon volunteered to stay in a German trench and hold the German attackers back, single-handed. That has been my experience with Indians.

Since that time one by one those Indians have died of tuberculosis. Some years after they became of age, on the advice of the Indian affairs branch they entered small frame shacks. These shacks were very poorly constructed, and the result was that after entering them tuberculosis became prevalent, and they died one by one. Today there is only one survivor of the Arrow Lake Indian band, one old Indian squaw. We, the white men, have destroyed that peaceful band of Indians. That is an illustration of the effect of white civilization on a small group of Indians in a limited sphere or district.

To a certain extent that has happened in other parts of Canada. Surely our knowledge of the past, and our treatment of the people who owned this country originally, should cause us to take this opportunity, not to pass the bill but to draft one that would remedy to some extent the injustices of the past and be a credit to the members in this parliament who profess to believe in democracy.

The Indians are opposed to the passage of this bill. I believe that is evident from communications which have reached hon. members, and from the general information available at this time. Not only are the Indians opposed to the measure, but large

and representative bodies in Canada are opposed to it. I am convinced that the great majority of right-thinking Canadians, on being truly informed of the facts, would be opposed to the house passing this measure at this time.

I received a communication today from the Vancouver civil liberties union. I shall not take the time to quote it, but I believe a copy was sent to the minister, and I see he nods his head in agreement. I hope he will study it closely, because it indicates a close study of the bill and an understanding of its deficiencies. It is sufficient to say that in the brief time I have had to read the memorandum I have found that the bill fails completely to give consideration to at least fourteen of the recommendations made by the parliamentary committee that studied the Indian question in 1946, 1947 and 1948.

Therefore, like previous speakers, I am opposed to the consideration of the bill at this time, and shall vote against its passage. Surely in view of the attitude of the Indians, in view of the history of the past, and in view of our moral obligation to these people who have suffered injustices since the white man came to Canada, this parliament can defer passage of the bill until the next session, and then pass one which would be a credit to all.

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I shall not delay the house long, nor shall I delay the minister in making his reply. I understand however that no member from Newfoundland has spoken in the matter thus far.

I would draw the minister's attention to the fact that, as he is no doubt already aware, we have Indians in Newfoundland and Labrador. There are two tribes, the Montagnais of Labrador and the Micmacs of Newfoundland. However they are not the original Indians who were in that country. The original Indians, who might be described as the first owners of the country, were the Beothucks. They were a very fine tribe of Indians, indeed. The history of the Beothucks reflects no credit upon the white man, because there is not a single Beothuck alive today—indeed, there is very little trace of them.

It is on that theme that I address my few remarks to the house this evening. So far as I know this bill has not been given study. Unfortunately there are no Indians in my own riding, and it might be said that I have no business joining in the debate. The only Indians, I believe, in Newfoundland proper are in the riding of the hon. member for Burin-Burgeo (Mr. Carter). The other Indians, namely, the Montagnais, are in the riding of the hon. member for Grand Falls-White Bay (Mr. Ashbourne), in Labrador.

After all, we have an obligation to these people. They were there long before we were in the province of Newfoundland, and we do not want to have happen to the Indians who are now there that which happened to their predecessors. This bill may be the best that could be devised; I am not prepared to say it is not. But, speaking for myself, until I have had an opportunity of reading it and digesting it properly I am not prepared to vote for it as it stands. I would prefer, of course, to have the views of hon. members from both the districts I have mentioned. They are now in the house, and they represent the Indian populations in their district.

However I would make the plea at the present time that there is no great urgency in this matter. From what I have heard, listening to the speeches of hon. members in whose constituencies there are Indians, it would appear that all kinds of representations have been made to them not to have the bill passed at this time. I cannot see anything to be lost by deferring the matter so as to give hon. members an opportunity really to understand what the bill means.

It is because of what has happened to the Indians in Newfoundland that I now ask that the passage of this bill be deferred until all hon. members understand the measure presented to them.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the bill now before the house is entitled an act respecting Indians. I feel that in that title we find the only respect that the government seems to be paying the Indians, because the bill itself does far less than justice to those people who were the first inhabitants of Canada. It does far less than justice to the recommendations of the committee which worked so hard for three years and whose recommendations have been laid before the House of Commons.

In my constituency are a large number of Indians. I do not know exactly what their collective attitude is toward the bill. I know they have not had an opportunity to let me know how they feel about it. The wide dispersal of the Indian bands and the difficulties presented by the terrain have made it quite impossible for them to have had any joint deliberations in connection with studying this bill. I have too much respect for the Indian people who live in that part of the country, and the other Indians throughout Canada, to be willing to pass a measure which is as ill considered as this one.

The Indians of this country are worthy of more respect and of more consideration than the government is permitting the house to give, when we are asked to pass this legislation at this stage of the session.

I do not claim to have an intimate or thorough knowledge of Indian lore and tradition, but I do know of many of the fine characteristics of these people. I recall a former chief of the Douglas Lake tribe, now dead, who had an outstanding reputation as a great Canadian. Chillihitchie was presented to His Majesty the King, George V, at Buckingham Palace, to whom he presented a thoroughbred horse. That was only one incident in his lifetime. Anyone who achieved that recognition does not deserve the short shrift that is being given to these people in this legislation.

Many detailed criticisms of the bill have been made already and I shall not delay the house by repeating them. I might mention that in my constituency is the largest residential school in Canada and I should like to pay a tribute to the work being done by the churches on behalf of the Indians. There are those who think that religious residential schools are not the answer to the Indian problem. I believe that whatever educational system is devised the Indian must be given full opportunity to obtain religious as well as other education. The Indian must be given the opportunity to prepare himself for citizenship; he must be granted equality with the other citizens of Canada and not condemned to a permanent second-class position.

An educational system must be devised which will enable the Indian to compete on a basis of equality with the white citizens of this country. I believe they can do that. If we have a proper educational system to include the Indians I have no doubt that they will be able to compete and equal, if not in many cases to outstrip, the white citizen. Like the hon. member for Kootenay West (Mr. Herridge), recall the contribution made by Indians in the armed services during the war just concluded. They were our equals then in every respect. We did not ask them to assume a secondary role or undertake obligations of a lesser nature than we assumed ourselves. We did not have to ask them to do what they did. They assumed obligations and duties equal to if not greater than those assumed by the white soldier. I fail to see why they should be asked by this legislation to assume a permanent role of inferiority as second-class citizens with lesser privileges than those granted to white Canadians.

[Mr. Fulton.]

I am not saying that they should be placed on an equal footing or asked to compete on an equal basis immediately or overnight. I do not think that would be possible or proper, but our legislation should lay the groundwork for a program which will enable them in a measurable space of time to assume the place which I know all hon. members and all Canadians would want them to assume. It is because I find in this legislation no provision for such a program that I am opposed to it.

Most of those who have spoken this afternoon have said that we should be given an opportunity to study this legislation and that the Indians should have time in which to make their representations. It is urged by the government that this legislation is an advance over what we have had in the past and therefore government supporters perhaps will find themselves unable to vote against the bill on a straight vote yes or no. This bill has been four years in the making. The committee sat first in 1946 but the bill was not brought in until a week or ten days ago. It would be improper for us to pass this bill at this time with the limited consideration that can be given to it.

In order to meet the views of those who feel that they cannot vote against the bill on a straight yes or no basis and in order that more time may be given to the Indians, to other interested parties and to the members of this house to consider the legislation adequately, I move, seconded by the hon. member for Calgary East (Mr. Harkness):

That the bill be not now read a second time, but that it be read a second time this day six months hence.

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

YEAS

Messrs:

Aylesworth	Hodgson
Balcer	Johnston
Beyerstein	Jones
Black (Cumberland)	Knight
Blackmore	Knowles
Blair	Lennard
Cardiff	Low
Casselman	Macdonnell (Greenwood)
Catherwood	MacKenzie
Charlton	McGregor
Coldwell	Mott
Coyle	Murphy
Fair	Noseworthy
Fleming	Pearkes
Fraser	Quelch
Fulton	Shaw
Gillis	Smith (Calgary West)
Harkness	Stewart (Winnipeg North)
Herridge	Thomas—39.
Higgins	

NAYS

Messrs:

Abbott	Hosking
Anderson	Huffman
Applewhaite	Hunter
Ashbourne	Jeffery
Bater	Kent
Benidickson	Kirk (Antigonish-Guysborough)
Black (Chateauguay-Huntingdon-Laprairie)	Kirk (Digby-Yarmouth)
Blanchette	Lafontaine
Blue	Laing
Boisvert	Langlois (Gaspe)
Bourget	Lapointe
Bradette	Larson
Bradley	Lesage
Brisson	Little
Brown (Essex West)	Macdonald (Edmonton East)
Bruneau	MacDougall
Byrne	Macnaughton
Cameron	McLean (Huron-Perth)
Campney	Maltais
Cannon	Maybank
Carter	Mayhew
Cauchon	Murray (Cariboo)
Clark	Nixon
Corry	Pearson
Darroch	Picard
Decore	Pinard
Dewar	Poulin
Dickey	Prudham
Dion	Richard (St. Maurice-Lafleche)
Douglas	Rinfret
Eudes	Roberge
Ferrie	Robertson
Fournier (Maisonneuve-Rosemont)	Robinson
Garland	Rooney
Garson	St. Laurent
Gauthier (Portneuf)	Sinclair
Gibson	Smith (Queens-Shelburne)
Gingues	Stick
Gosselin	Thomson
Gour (Russell)	Tremblay
Gourd (Chapleau)	Ward
Harris (Grey-Bruce)	Weir
Harrison	Whiteside
Hellyer	Winters—90.
Helme	
Henry	

Mr. Gardiner: I was paired with the hon. member for Souris (Mr. Ross). Had I voted I would have voted against the amendment.

Mr. White (Middlesex East): I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted I would have voted for the amendment.

Mr. Diefenbaker: I was paired with the hon. member for Yorkton (Mr. Stewart). Had I voted I would have voted for the amendment.

Mr. Browne (St. John's West): I was paired with the hon. member for Yukon-Mackenzie River (Mr. Simmons.) Had I voted I would have voted for the amendment.

Mr. Fraser: May I call it eleven o'clock?

Some hon. Members: No.

Mr. Fraser: May I move the adjournment of the debate and call it eleven o'clock?

Some hon. Members: No.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, there are two Indian reserves in my riding, and I consider them very fine reserves. Someone has said it is a very fine riding, and I heartily agree. I will not say it is the best riding in the country. I do not need to say it; you all know it. We have the Hiawatha reservation on Rice lake and the Mud lake reservation.

It is one minute to eleven, Mr. Speaker, and because of the noise coming from the other side of the chamber I know you cannot hear a word I say. Therefore I move the adjournment of the debate and ask you to call it eleven o'clock.

Mr. Speaker: Eleven o'clock.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING CHILDREN BORN IN CANADA TO DIPLOMATS, CERTIFICATES TO PERSONS LOSING CITIZENSHIP THROUGH MARRIAGE, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the first reading of Bill No. 315 (from the Senate) to amend the Canadian Citizenship Act.

He said: This bill has just been sent over from the Senate, and I was hoping it might be given first reading tonight, by unanimous consent.

Mr. Speaker: If it is the pleasure of the house we can proceed with first reading. I understand it is with unanimous consent.

Some hon. Members: No.

Mr. Smith (Calgary West): Certainly not; when they would not call it eleven o'clock they cannot expect us to co-operate.

Mr. Harris (Grey-Bruce): I must say I spoke to the respective leaders at eight o'clock, or shortly after.

Mr. Smith (Calgary West): Then I apologize.

Mr. Casselman: To whom did you speak on this side?

Mr. Harris (Grey-Bruce): The hon. member for Peel (Mr. Graydon).

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Harris (Grey-Bruce): Tomorrow we shall proceed with the bill amending the Indian Act, which was under consideration at eleven o'clock. Then we shall take up the legislation standing in the name of the

Minister of Justice, concerning amendments to the Judges Act and the Official Secrets Act. Then there is the shipping act, which has been reported from the committee tonight and will be considered in committee of the whole. Then we shall take up the bill to which the house was kind enough to give first reading a moment ago, and any other legislation there may be.

Mr. Fraser: What does that mean?

Mr. Harris (Grey-Bruce): I am not sure whether there is another bill coming from the Senate, and I must apologize for not being specific about this. Then we will go into supply taking the estimates of Secretary of State, post office, resources and development, and justice.

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

HOUSE OF COMMONS

Thursday, June 22, 1950

The house met at eleven o'clock.

REPORTS OF COMMITTEES

Third report of standing committee on public accounts.—Mr. Picard.

Sixth report of standing committee on miscellaneous private bills.—Mr. Winkler.

Third and final report of special committee on the Dominion Elections Act, 1938.—Mr. Fournier (Maisonneuve-Rosemont).

FISHERIES

NEWFOUNDLAND SALT CODFISH—STATEMENT AS TO DISPOSITION OF 1949 STOCKS

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, as members of the house are aware, the department and the fisheries prices support board have been studying the current market situation for salted cod, particularly that produced in Newfoundland. The fisheries prices support board dealt with the problem at its meetings on June 16 and 17 and have made their report to me. As soon as certain additional information is available, I shall be able to make a complete report to the house. However, since there has been considerable interest aroused, and since some of the stories which I have seen in the press have been written without access to all the facts, perhaps I should make a preliminary statement at this time. In the first place, I want to make it clear that the total quantities of salted fish in store in Newfoundland, including stocks in fishermen's hands, are substantially less than some have been led to believe. Many statements have been based on the stock figures as at April 20. Considerable quantities of those stocks have since been sold and are moving regularly to the markets. Sales are continuing to be made and the fish is going forward from Newfoundland ports in volume. Contracts are currently being negotiated by the exporters which may well result in further substantial commercial sales.

In some areas of Newfoundland the fishermen were unable to cure the fish caught late in 1949 until this spring, and this fish remains in the fishermen's hands. The quantities are not great, and we have them in mind in our considerations.

Other important negotiations now being carried out by the Department of Trade and Commerce could ease some of the restrictions now affecting our markets. While these negotiations are pending, any statement of policy would be premature. Meanwhile I see good reasons for being more optimistic about the outlook for disposal of the remaining stocks and for the marketing of the new production in 1950. I will make a more complete statement to the house shortly.

[*Later:*]

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Minister of Fisheries arising out of his recent statement. I would thank him for the statement he has made, which we appreciate, and I would impress upon him the urgency of making a further statement. I understand there is a possibility that the session may close next week. Will the statement be made before that time?

Hon. R. W. Mayhew (Minister of Fisheries): I am hoping it will be made before that time. I shall do my best.

BANKRUPTCY ACT

ANNOUNCEMENT OF PROCLAMATION—TABLING OF GENERAL RULES

On the order for motions:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to announce that proclamation has now been issued to bring the Bankruptcy Act, 1949, into force on July 1, 1950. At the same time I should like to table a copy of the general rules made by the governor in council under the Bankruptcy Act, 1949, which will come into force on July 1, when the act comes into force.

REPORTS AND PAPERS

Mr. G. J. McIlraith (Parliamentary Assistant to the Minister of Trade and Commerce): I beg leave to table the annual report of the Department of Trade and Commerce for the calendar year 1949. The French version of the report is not yet available. As soon as it is available it will be tabled. I would also like to table the fourth annual report of the Canadian Commercial Corporation for the fiscal year ended March 31, 1950;

also the annual report of Crown Assets Disposal Corporation for the fiscal year ended March 31, 1950; also the fourth annual report of the atomic energy control board for the fiscal year ended March 31, 1950.

INDIAN ACT

CONSOLIDATION AND CLARIFICATION—BILL NO. 267 TO STAND FOR FURTHER CONSIDERATION

Hon. W. E. Harris (Minister of Citizenship and Immigration): Mr. Speaker, when I took over the administration of Indian affairs early in this year I found there were three important matters to be dealt with. The first was whether the Indians might be entitled to vote in federal elections; the second was whether there might be further assistance, particularly to aged Indians; and the third was the implementation of promises which had been made that the Indian Act would be revised.

I am happy to state that the government has announced the solution of the first two problems, namely that in certain circumstances the Indian is now entitled to vote at federal elections, and that aged Indians will receive allowances of $25 instead of $8.

I had hoped that we might carry out the promise made with respect to the revision of the Indian Act. When the bill was introduced two weeks ago I had already set up elaborate machinery whereby the bill would be placed in the hands of the Indians at the earliest possible moment, and I think that in a great many of the reserves in Canada it was in their hands ten days ago.

In the meantime I have received representation by telegram and letter from quite a few bands and individual Indian organizations showing that they have made a serious study of the bill. They have criticized it in some respects and praised it in others. However, it has been represented that in other areas the bill had not reached the Indians in time for consideration. In view of all that it has been suggested that we might not proceed with the bill at this session.

A great many Indians have come to Ottawa in person to discuss the bill with me, and some favour action at this session. I would hope that those among them who would like to have the bill passed at this session might agree with me that perhaps it would be better to delay it in order to give the greatest opportunity to all concerned to make representations to me. I would not like any Indian, or, for that matter, any other Canadian citizen, to think that I am not as conscious of the needs of the Indian and his wishes as any others who in the past have held the high office of superintendent-general of Indian affairs. For that reason, as I said, I would hope that those who would have liked the bill to go through at this session, because it contains provisions which give many advantages to Indian bands and individual Indians, would join with me in allowing it to stand for further consideration.

Mr. Green: Will the minister give the house the assurance that a bill will be brought in early in the next session?

Mr. Harris (Grey-Bruce): I think it must be obvious that I have allowed this bill to stand only with reluctance, and that I will certainly bring one in as early as I can at the next session.

TAX AGREEMENTS

CANADA-UNITED STATES—RATIFICATION OF TAX CONVENTION ACTS, 1943 AND 1944

Hon. Douglas Abbott (Minister of Finance) moved the first reading of Bill 314 (from the Senate) to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRENTON, ONT., AIRPORT—CONTRACT FOR SUPPLIES

Mr. White (Hastings-Peterborough):

1. What firms or individuals received contracts for supplying gas, oil, grease, coal, fuel oil, bread, meat and milk for the R.C.A.F. airport at Trenton, Ontario, in each of the years 1948, 1949 and 1950?
2. Were tenders called for these contracts?
3. What are the names and addresses of the firms or individuals who submitted tenders?
4. What was the contract price for each of the commodities mentioned in paragraph 1 above?

Mr. McIlraith: Mr. Speaker, when this question was called on May 31, I pointed out that the answering of it would require a good deal of time and work and would be very costly. Since that time I have been able to get part of the information for the hon. member who asked the question, and I have given to him all the information readily available pertaining to the subject matter of his question.

In those circumstances he has agreed that the question be dropped, and with the permission of the house I would ask that that procedure be followed.

Mr. Speaker: Question dropped.

HOUSING—FORT ST. JOHN, B.C.

Mr. Green:

1. Did the government have approximately twenty-five houses built at Fort St. John, British Columbia?

2. If so, by what firm were such houses built?

3. What was the average cost thereof?

4. Were tenders called for the construction of these houses?

5. If so, from what firms were tenders received, and what were the amounts thereof?

Mr. McIlraith:

1. Yes.

2. Poole Construction Company Limited, 10503-109th street, Edmonton, Alberta.

3. $15,500 (approximately).

4. No. This was a negotiated contract. Due to the urgency with which this military housing accommodation was required, and in view of the inaccessibility of the site, negotiations were carried on with Poole Construction Company Limited, considered to be the only firm in the vicinity with the necessary organization, personnel and experience to carry out this work expeditiously and economically.

5. Not applicable.

NATIONAL FILM BOARD

PROVISION FOR APPOINTMENT OF GOVERNMENT FILM COMMISSIONER, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure respecting the national film board, to define more clearly the purposes and powers of the board; and to provide, *inter alia*, that the board may acquire personal property, patents and copyrights, and enter into contracts for personal services for any purpose necessary for the production, distribution, projection or exhibition of films pursuant to this act; to authorize the governor in council to appoint and determine the salary of a government film commissioner, to be the chief executive officer of the board; to provide for the appointment, promotion and salaries of persons to fill positions under the board; and to provide further for the establishment of an account to be known as the national film board operating account and that expenditures made by the board from moneys in the consolidated revenue fund shall not at any time exceed the amount of receipts shown in the account by more than seven hundred thousand dollars or such lesser amount as may be fixed by the treasury board.

Mr. Fraser: Mr. Speaker, is the minister going to make a statement?

Mr. Winters: Yes, I am prepared to do so.

This resolution deals with the proposals designed to clarify the functions of the national film board and simplify its administrative machinery with a view to increasing the efficiency of its operations.

Perhaps I should refer briefly to the history of the board's growth. Prior to 1939 the need of the government for motion and still pictures was met in two ways. The government film bureau, which was then in the Department of Trade and Commerce, produced both motion pictures and still photographs for other departments out of moneys appropriated for its operations. Other departments also contracted with outside producers for production of films and photographs which were paid for out of their own appropriations.

In 1939 the present act establishing the national film board as a co-ordinating board was enacted. Under the board the office of the government film commissioner was set up. The commissioner was authorized to act as a co-ordinator, adviser and general supervisor of government film activities. Government production of films, however, remained with the motion picture bureau, the director of which had production and distribution powers.

In 1941 it was decided to increase the production and distribution of government films. The motion picture bureau was transferred from the Minister of Trade and Commerce to operate under the national film board. Subsequently the office of director of the bureau became vacant and the government film commissioner, under the board, took over the production of films and photographs.

This method of operation was not contemplated when the National Film Act was enacted in 1939, and various expedients have been adopted to meet the new situation. The powers of the director of the motion picture bureau to employ temporary staff were used to employ the staff needed for the board. Working capital was provided for by annual appropriation and by advances from the Department of Finance recoverable at the end of each fiscal year. Operations have been carried on in this manner up to the present time.

This situation has given rise to difficulties in the operation of the board and to certain weaknesses in its structure. The purpose of the legislation proposed by the resolution now before the house is the removal of the causes of these difficulties and the establishment of a structural framework which will enable the board to operate on a businesslike basis.

To this end, it is proposed:

1. That the functions of the board conforming with its actual operations be defined.

2. That the board be reconstituted on a basis which will make it possible to carry out these functions efficiently.

3. That powers appropriate to these functions be conferred on the board and that the

board's responsibility to parliament through a designated minister of the crown be clearly established.

4. That executive machinery which will make efficient administration possible be established.

5. That appropriate power to staff the board be conferred and that provision be made for continuing members of the staff to come under the provisions of the Civil Service Superannuation Act.

6. That financial arrangements suited to the board's present operations be established; and that, subject to control under the Consolidated Revenue and Audit Act, provision be made for the settting up of a film board operating account and of working capital which will enable the board adequately to finance its operations.

I shall have more to say on this subject when the bill reaches second reading. Essentially the resolution seeks leave to bring in a measure to clarify the functions of the board and authorize administrative machinery which will make possible its efficient operation.

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I did not expect that this resolution would be up this morning, as it was announced that we would continue with the Indian Act; therefore I shall not take up much time. I feel that in the last five years I have done nearly enough talking about the film board. I have criticized it severely, but I think in most cases it was with just cause. During those years I asked on many occasions about communists who were employed in the film board, and this situation has been cleared up. I asked that real businesslike methods be used, and I understand that since the report of the business consultants was issued and a new commissioner engaged, different methods have been used. I feel that members of parliament and the public should give the new commissioner a chance to show what he can do.

I asked that the report of the business consultants who had checked the operations of the film board be tabled, and that was done. That was an unusual procedure, but I think it was necessary in order to give hon. members and the public a chance to know the ins and outs and the whys and wherefores of the national film board. Because of the suggestions and criticisms I have offered, some of the matters that I complained of have been rectified.

It is stated on page 2 of the summary of the report of the business consultants that the board should be provided with a permanent working capital fund of not less than $700,000. This matter is also referred to on page 7 of the report as follows:

> The board has been hampered in its business operations by the lack of adequate working capital to finance inventories, accounts receivable, work in progress, etc. In addition to a working capital fund of slightly less than $300,000 a revolving fund of $200,000 has been provided in recent years ($300,000 is to be provided in 1950) but advances from this fund have had to be returned in full at the end of each fiscal year. This practice has caused an unnecessary disruption of the board's activities towards the end of March each year as efforts are directed to converting assets into cash in order to repay the advance.
>
> It is obvious that some of the difficulties referred to above are inherent in government film production in Canada and will continue to be problems. They are mentioned here simply because they should be kept in mind in judging the board's performance. Other difficulties can be overcome and these are dealt with in the balance of this report.

The resolution provides that the film commissioner is to be the chief executive of the board, which would mean that a minister of the crown would not be responsible, as at present, but that the board itself would be responsible to government. This is mentioned on page 8 of the report, where it states:

> The operations of the national film board are quite different in many fundamental respects from those performed by regular government departments.

In regard to that I might say that a few years ago they were very different.

> And if the board is to operate efficiently it will be necessary to continue to exempt it from certain parts of the over-all machinery of government control.
>
> One obvious way of doing this would be to set up the national film board as a crown corporation organized, for example, along the lines of the Canadian Broadcasting Corporation . . .

I do hope that if such a corporation is set up it will not exercise the same powers as have been exercised by the Canadian Broadcasting Corporation, in order to curtail the production of commercial films throughout Canada. We now have some very efficient motion picture companies in Canada. They are trying to make a go of their businesses, and they are doing a good job. I have seen their films, and they are good. All they need is a chance.

The report continues:

> —the national research council or the national harbours board. Looking at the problem from the viewpoint of the national film board alone this would seem to be a logical solution. But it is also necessary to consider the relationship of the board to other governmental agencies and to ensure to the government a measure of control commensurate with its responsibility for the policies and activities of the board. On balance, we think it should be possible to establish the national film board within the regular government organization plan and yet

give it the flexibility which it must have to operate efficiently. To do this, it will be necessary to amend the National Film Act, 1939, in a number of respects:

In 1939 the National Film Act was passed in this house, and it was said at that time that there would only be one paid member of the board. The way in which the board has functioned in the last ten years is entirely different from the way in which the national film board was originally set up. It was like Topsy; it just grew up, "put on new clothes, and where it went nobody knows." The report continues:

1. To authorize an adequate working capital fund.

2. To permit the board to keep its accounts on a revenue and expenditure basis (i.e. on an accrual rather than on a cash basis) and to retain proceeds of sales.

3. To permit the board to engage necessary help during pleasure for positions within a plan approved by the governor in council and to permit such employees to be brought under the Civil Service Superannuation Act.

The situation at the present time is that practically all employees of the national film board are on a temporary three-months basis.

4. To permit the board to enter into contracts on behalf of His Majesty and in the name of the board for any purpose necessary to the production or distribution of films, filmstrips or still photographs.

I should like to pause there to say that I hope the new management will see to it that there is a definite curtailment in the taking and production of still pictures by the board. There is no doubt that the stills department has encroached on the business of commercial photographers throughout Canada. I know that is so, because I have had hundreds of letters from commercial photographers, and they have quoted instances in which the national film board has stepped on their toes. Press photographers have also been hindered in many ways by the national film board's activities in taking and selling still pictures. The report continues:

5. To grant authority for the transfer of funds from other departments and agencies to the board to cover the costs of activities undertaken on their behalf.

That would cover work undertaken for other departments of the government, such as the Department of Trade and Commerce, the Department of Citizenship and Immigration, the travel bureau, and so on. Films would be ordered by these departments from the national film board and paid for out of departmental funds. At the present time I think some departments still owe the film board for pictures made for them. Perhaps the pictures were so poor that they do not want to pay for them. I understand the Department of Agriculture had some films made by the national film board, and when they were completed they were so poor and had such a communistic leaning that they were put in the vault and held there. They have not been released.

The report continues:

At present two ministers of the crown are members of the board, one of whom is chairman. While the ultimate responsibility for the board's activities must necessarily be assumed by the government, and the government must therefore have knowledge of its policies and activities, it should be possible to maintain the necessary control without requiring ministers of the crown to devote so much of their time to the board's affairs.

I should like to pause there. I do not believe that ministers of the crown, before the present minister assumed responsibility for the film board, devoted very much of their time to its activities. If they had devoted to it as much of their time as they should have, the national film board would be a better organization today, and they would not have made the mistakes that they did.

The report continues:

Furthermore we question the propriety of a minister acting as an equal member of the board and thus being placed in a position where he can be overruled by the other members. In future we suggest that the board should report to a designated minister through its chairman and that the practice of having ministers serve as members of the board should be discontinued. The designated minister would be responsible to parliament for the board's activities.

If a special committee of the House of Commons was established each year to go into the accounts and activities of the national film board I feel it would be worth while, and also it would help the board. I have always found that a little criticism helps. We like to be praised as much as possible, but it is the person who is enough of a friend to criticize you who generally is your best friend. That is the way I look at it.

The report goes on:

Matters requiring the approval of the treasury board or of the governor in council should be submitted to the minister for his prior approval—

As I understand it, that would have to do with obtaining more funds.

—and the amending legislation should provide that the board should comply with any directions given by the minister from time to time with respect to the exercise of its powers. In this connection the minister should approve the appointment of all the senior officials of the board subject to confirmation by the governor in council. The chairman should keep the minister advised at all times of the work which the board is doing and supply him with any reports he may require in this connection, including:

(a) Copies of minutes of the meetings of members of the board.

If this proposal is carried out I hope the minister will read the minutes.

(b) An annual budget of revenues and expenditures subdivided by months.

That is something we have not had.

(c) A monthly statement comparing actual revenues and expenditures with the budget forecast.

With these safeguards the minister should be in a position to control the general policy of the board without having to concern himself with the details of its administration.

I have said before during this session, and as I said a few moments ago, there has been a definite change in the films produced by the national film board. I was talking to a well known motion picture man the other day and he told me that he felt that not only the pictures but the sound effects had improved. He said that during the first five or six years of the existence of the national film board the sound effects always reminded him of the man who was in charge of the board at that time, Grierson. They sounded like communistic music to him. Now we have a little softer music and the effect is much better. It used to grate on one's ears. I have been in theatres when one of the "Canada Carries On" series was shown, and people in the audience, not only in the front or back rows but all over the theatre, would say, "Oh, that darned thing again." They were absolutely sick of them.

We do need good films for our rural and urban schools. As I have said before, we also need good films to advertise Canada in foreign countries. I notice that one suggestion contained in this report by the business consultants has not been carried out by the new manager. In the report it was suggested that film distribution in foreign countries, with the exception of the United States, should be carried on by the Department of External Affairs, but within the last few weeks I believe an agent of the film board has been appointed for the United Kingdom. I have not the newspaper clipping here, but I saw it either in the New York *Times* or in one of the Canadian newspapers.

I said in the beginning, Mr. Speaker, that I would be brief. I believe we should wait until we have the bill before us, when we can go through it clause by clause. I also said I thought we should give the new manager a chance, and I honestly feel that this should be done.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, this is an important matter and, like many other important matters, should have been brought before the house earlier in the session. Like the hon. member for Peterborough West (Mr. Fraser), I propose to leave any detailed discussion until the bill is before the house, but there are several points I should like to make at this time.

Over the last few years I have felt that both this house and the film board itself would have been well served by bringing the officials of that board before a parliamentary committee similar to the committee before which the officials of the Canadian Broadcasting Corporation appear. I believe that would have obviated much uninformed discussion that has taken place across the country, and would have eliminated some of the criticism to which the board was subjected some time ago.

I feel that on the whole the national film board has done a very good job since its inception. Its documentary films depicting the life of the people of this country have been exceptionally well done, I think, and their distribution has been quite wide in North America, in the sister countries of the British commonwealth, and indeed in some of the countries of South America. From time to time I have heard very complimentary references by people from those countries to the films produced by this board. I would agree that there is a place in Canada for the commercial film, the commercial documentary, but I am not forgetting that the success of the commercial film organizations doing this type of work, of which we have one or two in this city, is due very largely to the encouragement, assistance and advice that has been given by the national film board. Therefore to a large extent many of these smaller commercial organizations have been beneficiaries of the work done by this public organization.

It is true that the activities of the film board, the staff and so on, have grown far beyond anything we anticipated when it was set up before the war. To some extent, of course, that was due to its activities during the war, when it filled a real place both in educating the public to our war needs and in letting the people know what the country was doing in many aspects of our war activities. Some of the films dealt with agricultural production in this country. Others I have seen had to do with industrial development. Others, of course, brought to our people some of the tragic scenes that occurred during the war, giving them perhaps more of an understanding of the dangers and devastation of war than they could have obtained otherwise. The same is true of our troops. Some of the films showed the activities of our soldiers overseas; some showed our naval vessels on convoy duty, while others showed the air force in action. Many of those films were not only interesting to our people during the war period but will be of great historic interest in future. I have no doubt that a century from now the people of this country will be viewing these films depicting what was done by the

men and women of Canada in the armed forces, in industry and in agriculture during the period of the second world war. In other words we have here to a considerable extent a visual history of our country in recent times compiled by this government organization.

I am very glad to see some of the recommendations contained in the report that has been made by those investigating the activities of the film board. I want to say, too, how much the circuits of the film board are appreciated in the rural communities. I know that in my own province of Saskatchewan, and in the neighbouring provinces which I have had the opportunity of visiting from time to time, the periodic visits of projectionists with their films are appreciated by those in the country districts. Before, during and since the war people have gathered together in country school houses to enjoy what many may consider to be an evening's entertainment, though in reality it is an evening's education. The educational films that have been made by the board and distributed to the schools and community associations that have projection machines have been of great value, and I have felt that much more could be done along that line.

I should like to see films portraying the coming to this country of the French explorers, who first opened it up; the expeditions of the Hudson's Bay Company; the growth of our country historically, and the achievement step by step of our national status. I believe such films could be made with very great advantage to the country, both now and in the future. That would require a great deal of money, however, and even under this legislation we are not providing the necessary working capital to undertake projects of that kind. I should think that at a time like this, when we are trying to build and strengthen our democratic institutions and our democracy, the national film board could, given the facilities, perform a very useful service by making historical films which could be distributed, over the circuits I mentioned, to the schools, and indeed to the classes that are being held throughout the country for the newcomers who in the countries from which they came were not given information about our democratic institutions.

I believe it is essential, however, that the national film board retain a considerable amount of independence from day to day supervision by the minister. We are setting up a number of organizations to undertake certain public activities, both economic and social. We sometimes refer to them as crown corporations. These crown corporations must be answerable in some way to parliament and to the representatives of the people, and a means has been developed by which they may be answerable, through appearance before committees of this house of representatives of such organizations as the Canadian Broadcasting Corporation, Canadian National Railways, Trans-Canada Air Lines, and so on. Yet we have to find a balance between the control of public institutions and the desirability of having them free from political interference. I believe that is something we have not yet worked out satisfactorily. But I feel that as we develop more and more public institutions, it is essential that we evolve ways and means of maintaining the independence of such corporations from political interference. I am not sure whether I like—in fact, I dislike it in some ways—the idea of bringing the employees of the national film board under the Civil Service Superannuation Act. I think they should be under a superannuation plan, but I believe we are endangering the freedom of the individual in this country by bringing more and more people under direct or indirect ministerial control through the civil service.

During the recent by-elections I saw letters that had been sent out to employees of organizations that were not, in my opinion, civil service organizations, telling them that they must have nothing to do with any form of political activity. At the same time I believe there were persons in the public service who did not fear the government and who supported government candidates. That sort of thing is entirely wrong. Where a man is in the public service, provided he does not occupy a confidential position in which he could use confidential information gleaned in his capacity as a public servant, he should be free to exercise all the usual functions of a citizen in a democratic state. Consequently I am hesitant about bringing the employees of some of these crown corporations into too close association with what I might call the political arm of our democratic society. I am not reflecting on the present minister or the present government when I say that, because governments of all stripes are faced with this particular problem.

As I said at the outset, I do not propose to discuss this report at any great length. I am glad that, so far as I have been able to read the report—and the extracts read by the member for Peterborough West (Mr. Fraser) confirm this point of view—the film board was given a clean bill of health as a result of the investigation. I believe that is satisfactory, having regard to the criticism that was made through the press across the country, and sometimes in this house. I have known the new commissioner for a good many years in various capacities. I followed his work as

editor of *Maclean's* magazine, and I feel that the government made a good choice. I believe that Canada will be well served by the commissioner who was appointed some few months ago. I believe that the staff is a good staff. In spite of the criticism, and in spite of the fact that three or four members of the staff retired, I believe that on the whole the staff was trying to serve the best interests of the country in a democratic way. Over the years, with the resources at their disposal, they did a job of which they and this country can be proud.

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

Resolution reported, read the second time and concurred in.

Mr. Winters thereupon moved for leave to introduce Bill No. 317, respecting the national film board.

Motion agreed to and bill read the first time.

JUDGES ACT

AMENDMENTS RESPECTING SALARIES, TRAVELLING ALLOWANCES, ETC.

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 316, to amend the Judges Act, 1946.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, the proposed increase in the number of judges in British Columbia would appear to be justified by the amount of litigation in that province. The provision with respect to district court judges is merely a change in the numbers in order to meet the situation, and as such is accepted. As to travelling expenses, the amounts designated are fair and reasonable and to that provision there can be no objection.

In the matter of appointments to judicial positions, I believe I speak for the bar of Canada when I say that political fitness ought not to be a prime consideration. I shall not refer to any appointments made since the minister has been in his present position, but I do impress upon him the necessity, if the bench is to retain the high reputation it has enjoyed over the years, of considering carefully all selections for appointments to superior, district and county court benches.

If political fitness be the only qualification, the judiciary of Canada will suffer, as will the administration of justice and democracy itself. More consideration should be given to the appointment of able members of the bar and outstanding leaders who do not happen to be government supporters. Since 1921, with the exception of five years, one party has been in power in this country, and in the last seven or eight years there have been but two appointments to the bench of supporters of a political party other than that of the government. This situation demands the serious attention not only of the Minister of Justice, but of Canadians generally.

In the United States, in judicial appointments made by the federal authority and ratified by the Senate, as they must be, the usual method is to select a percentage of members of the bar, outstanding in their learning and ability, who do not happen to be supporters of the government of the day. Thirty per cent of the appointments to superior courts is the allocation given to outstanding members of the bar of political parties other than that of the President of the United States.

Unless greater consideration is given to the selection of outstanding leaders of the bar, learned in the law, I fear for the continuance of the inviolability and sanctity of the bench. I make this statement knowing that I represent the views of the majority of the bar of Canada, irrespective of political considerations. Appointments to the bench should not be dependent merely upon the consideration that a member of the bar has been a defeated candidate in an election. Some years ago a distinguished member of the United States bar who was addressing a meeting in Canada, was introduced in eulogistic terms by a distinguished member of the Canadian bar. But the Canadian took it upon himself to say that there was only one criticism he had to offer of the United States system of jurisprudence. He felt that an elected judiciary was a dangerous expedient, particularly when a federal or state election was about to be held. He said it was difficult to understand why the majority of the members of the bench of the United States were elected. The United States leader of the bar said that having been in Canada only a matter of two days he was beginning to wonder whether one of the prime qualifications in Canada is not to be elected, but rather to have been defeated once or twice.

Above all else we must maintain the supremacy of the bench, its detachment, its freedom from the suggestion that any qualifications other than ability, capacity and integrity—and I place integrity above all—shall be matters of consideration in appointment.

Not only must justice be done; it must be done expeditiously. There should be no unnecessary delay between the hearing of a case and the rendering of the judgment. I am sure the Minister of Justice has known of occasions on which members of

the bench have waited so long to render a decision that if they remembered the name of the case they certainly did not remember the facts of the case. It is not a matter of recent occurrence. Over the years there has often been too much delay between the hearing of the case and the delivery of judgment. Reserving judgment is a good idea, as long as it does not carry over for such a length of time as to be detrimental to the administration of justice.

Because of the fact that there has been a great increase in litigation in British Columbia, I feel that that portion of the bill deserves the support of all. Above everything else, justice must be administered, and litigants must believe that they have received justice. Delays of one, two or three and a half years in rendering judgment are inexcusable. Where they do occur, the minister should be able to say something to these judges that they would understand.

Recently I asked how many judges were employed on provincial royal commissions without having received the permission of the Minister of Justice. I asked how many provincial royal commissions there had been in the last three or four years upon which superior court judges have sat. The answer given by the Department of Justice is that the department has no information. "No information"?—with a judge away three or four or even five or six months from his duties? "No information" was what the department wished to furnish, rather than the facts.

Surely when a superior court judge is serving on a royal commission for a period of three months, and particularly when he is chief justice, his absence would be noticed. I suggest that the salutary provision in the law that no judge may serve on a provincial royal commission without first obtaining leave from the Minister of Justice should, in the interests of justice, be observed to the letter.

Anything that we on this side of the house, and indeed hon. members in all parts of the house, can do to preserve and maintain the highest type of administration of justice of which this country is capable will be done. This is one question as to which there should be no party considerations. I repeat that the Minister of Justice, as the custodian of the king's conscience, owes to the people of Canada the duty that, in making recommendations for appointments to superior courts, integrity and ability, and not political fitness, shall be the prime consideration.

Mr. Speaker: If the minister speaks now he will close the debate.

Mr. Higgins: Is it proper to ask the minister some questions at this time?

Mr. Speaker: Not at this time. That would be more appropriate when we are in committee.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, perhaps I may be permitted to reply briefly to the observations just made by the hon. member for Lake Centre (Mr. Diefenbaker). With his generalizations no member in the House of Commons I think will be disposed to disagree. With, in particular, his emphasis upon the fact that the chief consideration in the appointment of members to the judiciary should be ability, capacity and integrity no one will disagree; and I can say with a perfectly clear conscience that in so far as any appointments I as minister have made, the proper emphasis has been placed upon those three qualities.

But if those qualities were possessed in an eminent degree by a man who at the same time happened to be a member of the Liberal party, I think the hon. member would be the last to argue that membership in that party should disentitle him to consideration for appointment to the bench.

Mr. Diefenbaker: Neither should disentitlement be the other way.

Mr. Garson: Yes, and neither should disentitlement be the other way. So far as any appointments I have made are concerned, I think it would be much more fitting on my part to let them speak for themselves rather than for me to boast about them, or defend them, because I do not think they require defence.

The hon. member has said that there are only two cases which come to his mind in which members of his party have been appointed to the bench. I suggest that he think a little more deeply on the subject, and if he has done so he does not come to a different conclusion, I should be glad to go over the list with him and point out some others.

Mr. Smith (Calgary West): The minister will not find one in Alberta.

Mr. Garson: My usual experience outside the house is rather the converse of what has been taking place in the last fifteen minutes; there has been criticism for my having been a little too broadminded on the subject the hon. member has been discussing.

Mr. Smith (Calgary West): Where has the criticism come from?

Mr. Garson: I will leave that to my hon. friend to guess.

The hon. member for Lake Centre has referred to the fact that there have been delays in the rendering of judgments, but he has refrained from identifying the provinces in which the delays have occurred. I can understand the reason for his reticence in that regard in any public statement. However, I hope those reasons will not deter him from disclosing that information to me in my office.

Mr. Diefenbaker: Has not the minister had complaints sent to him by law societies?

Mr. Garson: No. I think the hon. member is wrong. I do not know what case he has in mind, but I should be very glad to discuss the matter.

At the present time we have only one example of a delayed judgment of the kind indicated. It was brought to my attention by a member of the bar of the province in question, and is now under consideration.

As the hon. member knows, the establishment of the courts to which he has had reference is the responsibility of the provincial legislatures, and the administration of justice in those courts is the responsibility of provincial attorneys general. It is true that the judges are appointed by the federal government. The impression seems to prevail —and while I listened to the hon. member I was wondering whether he shared it—that because the appointment is made by the federal government, the federal government has some executive power of discipline over the judiciary.

The hon. member knows quite well that one of the cardinal features of our system of government is that the judiciary should be independent of the executive. I believe that upon reflection he will be inclined to agree with me that in those cases in which there have been delays in the rendering of judgments the proper course in the first instance would be for the officer in charge of the administration of justice in a province, namely, the provincial attorney general, as tactfully and firmly as possible, to bring the matter to the attention of the offending judge. Then, if that did not produce results he might send a memorandum in the matter to the Minister of Justice, to the end that if the delays were sufficiently serious, a court of inquiry could be set up to ascertain the reasons for delay. I think the hon. member will agree with that course of procedure. Therefore in those cases, such as the most recent one to which I have referred, where complaints are made direct to the Minister of Justice—and not made by the attorney general of a province—one must prosecute the inquiry, and take the matter up with the provincial attorney general concerned, with a certain amount of diplomacy, lest it appear that we are trenching upon what in the first instance at any rate is his proper field of responsibility.

There was one aspect of the hon. member's argument that made quite an impression upon me, and that was when he said that we must follow a certain course of conduct in the appointment of judges, in order to maintain the present high standard of ability of the bench. I am in complete agreement with him that in Canada by and large there is a very high standard of ability and integrity on the part of our judges, both provincial and federal. If the argument advanced by my hon. friend is to be taken seriously, then that great ability and integrity of the bench upon which he bases his argument is the product of the system which he is criticizing, the system, so far as I am concerned, of selecting appointees to the bench on the basis of ability, integrity and capacity, and then, and only then, having regard, if any regard at all is had, to their political affiliation. I do not think a better justification or vindication of the manner in which judicial appointments are made could be provided by anyone than is contained in the statement just made by my hon. friend.

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

On section 1—*British Columbia supreme court judges.*

Mr. Smith (Calgary West): I had not intended to speak on this matter, but I left the chamber for a few minutes this morning and as I came back I heard praise of our judiciary from both sides of the house. It is difficult for a practising lawyer not to do this. In other words, he has not a chance. Of course they will be praised. I want to compliment the minister upon the last appointment he made in Alberta. The fact that the appointee happened to be the past president of the Liberal association for a long time is neither here nor there. The most important thing is that he is an excellent lawyer and is doing very well. I think that is largely due to the fact that I brought him up as a law student and he was my next senior partner when the appointment was made.

But let us not forget a few obvious facts. One is that all the judges in Alberta, both in the superior court and district court, are Liberals. It is not an accident. Do not let us blind ourselves by blandishments as to their great achievements. I am prepared to say all that about the Alberta judges because I am going to appear before them. There may be some men on the bench who are not worth a nickel, but I am ready to stand up and praise them because I am not going to

cut my throat when I may be practising before them. I have forgotten the total number of judges, but, as I say, they are all Liberals. Having regard to what the Minister of Justice has said, they must have taken the cream of the crop, and it is just an accident that they all happened to be of a certain political persuasion. I do not know that I object very strenuously to that, if in the three qualities the minister mentions they stand superior or at least equal to their fellows.

There is another thing upon which I should like to compliment the minister, and in saying what I intend to say I hope I am within the boundaries of this bill. The two recent appointments to the Supreme Court of Canada are beyond any criticism. Those two judges represent the cream of our profession; the appointments are most excellent. I know nothing whatever of their politics.

There is another amendment which has been long overdue, and which is provided in section 3. On the old basis of allowances of $6 and $10 per day our judges lost money. I know in my province they went around doing the country's business and maintaining as best they could the high standards of justice. I have no doubt that they do their best, but there are capabilities and capabilities. That is all I have to say.

Mr. Higgins: I understand that yesterday the hon. member for St. John's West made some remarks about this bill, and from my knowledge of the facts I feel they were fully justified. Having read the *Hansard* report of of what was said yesterday, there is one question that I should like to ask. Would it be possible to see the letter written to Mr. Varcoe by the minister of justice of Newfoundland?

The bill provides for five district court judges, and perhaps the minister can explain why the number has been reduced from seven, which was originally provided for in the negotiations. I should like to know also where these courts are to be set up. Will there be two district courts in St. John's? Has the minister any idea when the appointments are likely to be made?

I presume that the usual practice will be followed and that no question of party politics will enter into the appointments; that only qualified members of the bar will be selected for these positions. I agree thoroughly with the remarks of the hon. member for St. John's West with respect to the magistrate now in St. John's. As a lawyer I have a number of friends among those who are likely to be appointed, and I have no hesitation in saying that they are very competent to fill the positions.

Mr. Garson: The reason for the difference between the number "seven", which was mentioned in the provincial legislation setting up the district courts in Newfoundland, and the number "five" which we have in the bill, is explained as follows. After the provincial bill had been passed a conference took place between the attorney general of Newfoundland and our department. We had officers of the department go to Newfoundland to examine the set-up, and the territory to be covered. We finally came to the conclusion that at the present time, all things considered, including the extent to which the appointment of seven judges might tend to denude the bar, five was the proper figure that should be carried into the bill.

As to the other matter to which my hon. friend refers, my deputy is in London appearing in a case before the privy council. While I have access to his files I would prefer not to use them until he returns and I can discuss the matter with him. I have not handled the matter myself, because it was a continuance of something that had been under way before I came to the department.

Mr. Higgins: Can the minister tell me where these courts will be set up? Has he any knowledge of that now?

Mr. Garson: No. I think my hon. friend will find that that is covered in the provincial legislation. I could not indicate the extent to which that might have to be modified in practice by one judge covering perhaps more than one district by travelling to various points.

Mr. Higgins: Who makes the decision as to where the courts will be set up?

Mr. Garson: As my hon. friend knows—and I am not necessarily speaking about the Newfoundland legislation, but about provincial legislation generally setting up courts of this kind—the total area of a province is divided geographically into certain judicial divisions and a court is created for each one. If the hon. member will examine the Newfoundland legislation I am sure he will see what these divisions are, or it may be that there is a clause in the Newfoundland bill empowering the lieutenant governor in council to determine the divisions after examining the matter. The question with which we are concerned is the appointment of judges to serve these divisions. That service may be provided by having a resident judge in each division, or by having certain outlying divisions covered by a judge who goes on circuit.

Mr. Higgins: The provincial government would make the divisions?

Mr. Garson: Yes, they always make the divisions, either in the statute or by order in council afterwards.

Mr. Higgins: When do you expect the appointments to be made?

Mr. Garson: Contrary to the impression that some seem to have, I must say that no detailed consideration has been given to that at all. We will not embark upon that matter until we have the authority which we seek to obtain by the passage of the bill.

Mr. Higgins: I assume you will take recommendations from the bar society of Newfoundland.

Mr. Garson: We welcome good advice from any source, on the understanding that we are not necessarily bound to accept it.

Mr. Browne (St. John's West): I should like to refer to the location of the judges. There are to be two in St. John's, one in St. John's East and one in St. John's West. I presume they will be residents of the city and will be confined primarily to those districts, but the lieutenant governor in council has power to allow them to sit in other districts. As there are to be five judges, and there are seven districts corresponding to the federal electoral districts, I presume that the two additional districts may be divided amongst the five judges. The most important places must be known to the minister—St. John's, Corner Brook, Grand Falls, Bell Island and Bonavista.

Mr. Bradley: Mr. Chairman, I am afraid I cannot agree with what the hon. member for St. John's West has just said. I do not regard these places as more important, by any means. As a matter of fact the question of judiciary in Newfoundland has been under consideration by some members of the legal profession, including myself, for a good many years. The criticism of our present inadequate system of administration of justice goes back to the old days of the late Judge Prowse. I have no doubt my hon. friend is sufficiently well acquainted with the contents of the book on the subject which was written half a century or more ago by that learned judge to realize that the great difficulty we have in Newfoundland is not altogether the administration of justice near the city of St. John's. County court judges will be required rather far away from the city of St. John's in areas where in many matters affecting questions of land and the administration of estates there is no administration of justice. There is nobody there to administer justice, and nobody within reach except the supreme court at St. John's. It is true that that court goes on circuit every year now, but it was suspended for a number of years. I have had some experience in what took place, possibly more than my learned friend across the way. I know there is a serious lack of any agency in the nature of a court to bring justice to the people in the far distant sections of Newfoundland. I have seen cases where next of kin have been deprived of the property of their parents, and there was no remedy, for the simple reason that they did not have the necessary money to go to St. John's, engage the services of a lawyer and appear before the supreme court with the consequent reasonably high expenses, if I may put it in that way. What is required in Newfoundland is capable county court or district court judges, whichever you like to call them, who will be located at these far distant points where they can bring justice cheaply to people who cannot afford the excessive expense of trials in the supreme court.

Mr. Higgins: With all due respect to the Secretary of State, I think it is somewhat out of order to refer to the excessive charges for trials in the supreme court. I think the lawyers practising in that court are as fair as lawyers anywhere else. It is seldom that a poor man in Newfoundland does not have his work attended to for a reasonable fee.

Mr. Bradley: I had no intention whatever of casting any aspersions upon the professional integrity of the hon. member. I have no doubt his charges are reasonable, having regard to the amount of work he has to do and the time he has to spend on that work.

Mr. Higgins: And the money.

Mr. Bradley: My point is that if my learned friend had to depend for his income upon the fishermen and labourers in the far distant parts of Newfoundland, he would have a very meagre income.

Mr. White (Hastings-Peterborough): I should like to ask the minister to explain on what basis the salaries of judges are fixed. Judges of the supreme court receive $12,000, and the salary of a district or county court judge is $6,666.

Mr. Garson: I must confess that perhaps the best explanation that can be given for these two figures is the fact in each case that amount has been paid for a good number of years. I know we have had representations from the association of county and district judges in Ontario, in which at very considerable length a quite impressive case is made out to show that relatively they are underpaid in comparison with the supreme court and other judges generally. Speaking from memory, but I think my recollection is accurate, the practice heretofore has been that when an increase was put through, the relative position of the two groups of judges

was adhered to pretty closely. The contention of the association of county and district judges of Ontario is that the time has now arrived when in any adjustment of judicial salaries they should get a relatively greater increase because of the fact that they are now paid relatively less than other judges in relation to their work and responsibilities.

Section agreed to.

Section 2 agreed to.

On section 3—*Travelling allowances.*

Mr. Sinnott: Under this section, Mr. Chairman, I hope you will give me a little leeway, since I was in committee when the motion for second reading was being discussed. In order that we may keep the record straight I want to read paragraph (b), which refers to the travelling allowances of judges:

(b) for each necessary day of travel going and returning and each day during which he so attends—

(i) the sum of twelve dollars if that place is a city;

(ii) the sum of eight dollars if that place is not a city;

(iii) the sum of twelve dollars if during the time he so attends he is accommodated at a city and the Minister of Justice is satisfied that suitable accommodation is not available at the place at which he attends.

I have a few notes in respect to this bill, concerning travelling expenses, and I shall try to keep as closely as possible to the section.

When the resolution was brought into the house I strenuously objected to it. We have come to the time when people should use a little common sense. I heard the remarks of the hon. member for Calgary West, who said this was a fine thing and that these men were not able to get along on what they were receiving previously. He may hope some day to be appointed to one of these positions.

Mr. Smith (Calgary West): Hear, hear.

Mr. Sinnott: At this very moment we are trying to convince the world that the democratic form of government is far superior to communism. I believe I am as near to the hearts of the people of Canada, and can see as well into their minds as anyone, and I know what will be their attitude toward a bill of this kind to favour a favoured few who already have been favoured far beyond the imagination of any Canadian—these men who have the authority to finalize and put into effect the laws of our country. I have seen men serve as much as two years for stealing from a store a small item worth less than $2; yet here we, as members of parliament, are being asked to increase the travelling allowances of judges from $10 to $12 a day, in addition to the salaries they already receive. It hurts me deeply to see the very people who are supposed to be setting an example to all Canadians adopt this method of extracting from the pockets of the Canadian people all that the traffic will bear. Thousands of people in this country who are having a hard time to make ends meet will have to add to the already heavy taxes they have to bear. Many families are existing today on far less than these men are asking for travelling expenses alone, and I do not like to see the Minister of Justice made a victim of these circumstances.

I should like to know just how many of these men have asked for this consideration. It boils down to this. As members of parliament we are being asked to increase these travelling allowances by $2 per day; and putting it mildly, this is the cleverest piece of legalized robbery ever perpetrated. We are not permitted to discuss salaries, but every member of this house knows that we never hear of a judge passing on to the land of glory penniless. In most cases they leave estates worth hundreds of thousands of dollars. We should respect those who have the responsibility of carrying out the laws of the country. No member of parliament wants to be niggardly. It may be said that in view of the position these men hold the remuneration they receive from the public treasury may be somewhat less than they could earn in private life. It is not dollars and cents that count, however; it is a matter of honour and responsibility. In any case, I am sure no one could say the remuneration of these men is niggardly, especially when we remember that it is guaranteed until they reach the age of seventy.

As I said before, Mr. Chairman, we are fighting communism, and we have to show that life in this country is much better than in the lands where communism is in power. If you want to encourage communism in the rank and file of those who have to work hard for a living, a few more bills like this will do that very thing. I was elected to represent all the people of my riding of Springfield, and I am sure everything I have said here today will be backed up by them. I believe Canada is the greatest land in the world. Let us keep it that way and not cater to any class distinctions.

Mr. Gillis: I want to compliment the hon. member who has just spoken. Sitting as he does on that side of the house, he showed courage and a considerable knowledge of the

subject with which he dealt. It was a practical demonstration of democracy, and it is too bad that more hon. members on that side do not exercise the same privilege.

I am going to make what I have to say short, sharp and to the point. The purpose of this bill is to appoint another judge and to step up the travelling allowances of some sixty-three judges already appointed. I am not objecting to that; the Minister of Justice will have to answer for it. What I do object to, however, is that ever since I have been in this house, every time there has been any reorganization of the legal structure throughout the country or of the judiciary it has been done by a bill like this, with reforms from the top—more money spent on administration, more judges, and so on. There has been a complete failure to recognize the fact that the great majority of those who have to seek redress in the courts are without the means to purchase the legal advice necessary to get into those courts and take advantage of the system of justice we dispense.

A few moments ago the Secretary of State practically admitted that, in so far as his own province is concerned, the problem so far had been a lack of finances to enable litigants to get to the centres where justice could be dispensed. I believe that he is wrong when he assumes that the appointment of more county court judges is going to remedy that situation. It will to some extent, in that it will cut down travelling expenses; but when one has to seek litigation in the supreme or county courts it is necessary to hire solicitors. Then if the person is employed, there is the loss of time to be considered. Considerable expense is attached to litigation. There are many persons in this country who, because of a lack of the necessary funds, refrain from going to court and suffer considerably because of it.

I believe I am safe in saying that there are thousands of lawyers in this country who carry accounts on their books for years concerning cases they have fought without any chance of being paid. They do that work on a humanitarian basis. I know some of them myself. I hope some time in the future I shall see the Minister of Justice introduce a bill for the purpose of establishing legal aid for the people of this country below a certain income level. That has been done in other countries, and I think it is necessary here. I believe it is necessary as an aid to the legal profession, particularly those who practise in the magistrates' court and county court. In the final analysis there are not many people who go to the supreme court.

I believe if we are going to continue to do this sort of thing, to build a top-heavy, highly paid judiciary across the country, the least we can do is to consider some means of enabling the people who are unfortunate enough to have to go to court to have proper counsel to present their case. I hope that some time in the future the minister will look into that situation to see if a bill cannot be introduced to provide for those people, because I think it is badly needed.

Section agreed to.

Section 4 agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time?

Mr. Garson: Now.

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division and bill read the third time and passed.

OFFICIAL SECRETS ACT

EXTENSION TO EMPLOYEES OF COMMISSIONS, ETC.—APPLICATION TO OFFENCES COMMITTED OUTSIDE CANADA

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 309, to amend the Official Secrets Act.

He said: Mr. Speaker, the purpose of second reading is to discuss the principle of the bill. This bill consists of four amendments to the Official Secrets Act. I suppose the principle which ties them all together is the fact that they represent an attempt by the government, a successful attempt we think, to comply with a recommendation which was made by the royal commission on espionage in 1946. That recommendation was to the effect that the Official Secrets Act, 1939, be studied in the light of the information contained in the report and in the evidence and exhibits, and if it was thought advisable it could be amended to provide additional safeguards.

The first noteworthy feature about this recommendation is that it does not contain, within itself, any suggestion for the amendment of the act. It merely recommends that it be amended if after study it is thought advisable to do so. We have studied the Official Secrets Act, and the bill which is now before the house represents those respects in which we think it should be amended.

Section 1 deals with an amendment to extend the meaning of the phrase "office under His Majesty", to embrace employment in, on, or under a board, commission or other body that is an agent of His Majesty in the

right of Canada or of any province. This amendment has been proposed by security officials, and the reason for its extension is obvious. There is a provision in the act, section 4, subsection I, which makes it an offence for any person to have in his possession or control any secret official code word or password, any sketch, plan, model, article, thing or document which has been entrusted in confidence to him by any person holding office under His Majesty.

Under the act as it reads at the present time the phrase "office under His Majesty" is really limited to a servant of the government itself. The desire is to extend that to servants of the crown, boards, commissions, and corporations.

Then, in section 5 of the act, subsection 1, paragraph (d), it is made an offence for anyone, for the purpose of gaining admission to prohibited areas, to impersonate a person holding office under His Majesty. In that text also, the meaning of the phrase "office under His Majesty" would be extended.

Mr. Speaker, may I ask at this point that you call it one o'clock.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. Garson: Mr. Speaker, when the house took recess I was just about to begin consideration of clause 2 of the bill. The Official Secrets Act applies at the present time, in accordance with the usual rule of statute interpretation, only to things done and to offences committed inside of Canada. In our deliberations it was proposed by the mounted police, and also by the security panel, that the Official Secrets Act should be given some extraterritorial effect. The security panel suggested that it should be amended to apply to offences committed against the act outside of Canada by a Canadian citizen. The Royal Canadian Mounted Police suggested that the act should be amended to make it an offence for any person obtaining secret information within Canada to publish such information in any country outside of Canada.

This new section 12A, which is covered by section 2 of the bill, therefore makes it an offence to disclose secret information, and so forth, outside of Canada, if the person concerned on the one hand is a Canadian citizen, or in cases in which, not being a Canadian citizen, he obtained information while he owed allegiance to Canada.

Of course, an obvious difficulty in the enforcement of this provision, which has already been the subject of editorial comment in this country, is the necessity of getting the offender back to Canada for trial; but even giving weight to this great difficulty of catching one's rabbit before one can have rabbit pie, the amendment we have will still serve a very useful purpose, because those who commit an offence of this kind in, for example, the United States, are very likely to fall within the class of citizens who under the United States law are deportable from that country to the country of their citizenship. Therefore if the Canadian was apprehended in the United States and was found to have committed an offence of this kind and was deportable, he would come here under such circumstances that in all likelihood we would be able to bring him to trial.

I think I should say a word or two with regard to the phrase which is used at the bottom of the new section 12A, paragraph (b): "while owing allegiance to His Majesty in right of Canada." This phrase is a little more far-reaching in its effect than would be the expression "while present in Canada". It will be remembered that in the case of Joyce *v.* Director of Public Prosecutions, 1946 Appeal Cases, 347, Joyce was held to owe allegiance to His Majesty in the United Kingdom while travelling on a British passport, notwithstanding the fact that passport had been issued under the misapprehension that Joyce was a British subject when in fact he was not. The amendment that we are now discussing carries the obligation of allegiance even further than it was carried in that case—that is to say, further than the common law as was enunicated in the Joyce case, because it makes punishable in Canada the disclosure, after ceasing to owe allegiance, of information obtained while owing allegiance. The law is that even an alien owes allegiance while he is within the realm of Canada, unless of course he has diplomatic immunity.

Mr. Fulton: Or is an enemy.

Mr. Garson: No, only a citizen of an enemy state which had declared an open war, a hot war, not an enemy in a cold war.

Mr. Fulton: Yes.

Mr. Garson: Yes.

Mr. Fleming: Or a potential enemy, according to the interpretation in Britain.

Mr. Garson: Now, the question where such an offender would be tried in the event of its being possible to apprehend him, in respect of offences committed outside of Canada, is already, we think, taken care of by section 13, subsection 1, of the act, which provides:

For the purposes of the trial of a person for an offence under this act, the offence shall be deemed

to have been committed either at the place in which the same actually was committed, or at any place in Canada in which the offender may be found.

Clause 3 of this bill—

Mr. Diefenbaker: Before the minister speaks on clause 3 would he answer a question?

Mr. Garson: Yes.

Mr. Diefenbaker: Have there been any cases in the last five years in which anyone has escaped prosecution and conviction because of the fact that this section was not in the Official Secrets Act?

Mr. Garson: The answer to my hon. friend's question is no. Now that he has raised that point, perhaps it would be as well for me to establish the fact that in respect of all four of these amendments we are not closing the stable door after the horse has gone; we are attempting to close possible loopholes before any person has been able to use them.

With respect to section 3 of the act, the thought has been entertained that the penalties in this act are inadequate. In our discussion this view was confirmed by the security panel of the government. Section 14(1) as embodied in clause 3 of this bill now provides that where no specific penalty is mentioned, an offender is guilty of an indictable offence and liable to a fine not exceeding $2,000, or to imprisonment not exceeding seven years, or both; and the offender, at the election of the Attorney General of Canada, may be prosecuted by summary proceedings under part XV of the Criminal Code, in which case, in the event of that election being made, the punishment would be a fine not exceeding $500 or imprisonment not exceeding twelve months, or both.

In this connection I should point out the penalty that applies where no specific penalty is provided. The only case in which a specific penalty is provided in the act is in section 7, subsection 2, for the refusal by a person in control of telegraphic or wireless apparatus used in transmitting messages between Canada and a foreign country to produce such messages when required to do so by the minister. In that case it is a summary conviction offence and punishable by a term not exceeding three months or a fine not exceeding $200, or both. So that when we provide, as we do in the new section 14, for practically doubling that penalty to apply to all the cases not specifically provided for, we are providing an increased penalty for the great bulk of the cases which might arise under the act.

[Mr. Garson.]

Then under section 14(2), as it would be enacted by clause 3 in the bill, the provisions of the Identification of Criminals Act will apply to persons who have been or may be prosecuted under the Official Secrets Act by way of summary conviction. I should like to emphasize in this connection particularly the point raised a few minutes ago by the hon. member for Lake Centre (Mr. Diefenbaker).

I would not want hon. members to get the impression that, with regard to all the prosecutions which took place as a result of the espionage inquiry of 1946, we did not fingerprint the culprits. But those were cases in which the procedure against the accused was by way of indictment and therefore fell within the express terms of the Identification of Criminals Act, which applies to all those who are guilty of an indictable offence.

When the attorney general under the present Official Secrets Act elects to proceed against an accused by way of summary conviction, although it is in respect of an offence which by statute is declared to be indictable, the possibility of a doubt arises as to whether the offence itself when so proceeded against is an indictable offence so as to make the Identification of Criminals Act regulations with regard to fingerprinting applicable to the offender. The purpose of this second portion of the new section 14, which would be enacted by clause 3 of the bill, is to remove that doubt.

I believe I have covered the main points of the bill. As I indicated in my opening remarks, the bill has been drawn after consultation for the purposes of complying with recommendation No. 5 of the royal commission on espionage of 1946.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the bill before us is one to the contents of which, so far as they go, I do not think there can be any objection. Indeed, I believe the only objection that could be taken is that largely the bill is just a piece of window-dressing. It does not actually accomplish very much, and certainly in my view it fails to accomplish what the minister has just said it was designed to do, namely, to follow out the recommendation contained in paragraph 5 of the recommendations of the royal commission on espionage. That recommendation reads as follows:

That the Official Secrets Act, 1939, be studied in the light of the information contained in this report and in the evidence and exhibits and, if it is thought advisable, that it be amended to provide additional safeguards.

In the very narrow sense I suppose this bill might be said to provide additional safeguards, if those words are confined exclusively to the matter of obtaining convictions, should prosecutions be brought—and it

hardly provides full safeguards even there. I am quite certain that was not the intention of the royal commission in its use of the word "safeguards". If the word "safeguards" is read in conjunction with the other recommendations, and with the context of the report as a whole, it becomes obvious that it meant safeguards against espionage and against the revealing of official secrets or the passage or communication to foreign powers of information prejudicial to the interests and safety of the state. That would mean something prejudicial to the safety of Canada.

This bill provides no safeguards whatsoever in that respect. Indeed the bill accomplishes very little. It makes very little change in the present legislation with respect to the prosecution of those charged with offences under the act. About the only thing it does is to provide an increase from seven to fourteen years in the maximum term which can be imposed. I would accept that as a sound enough approach. I believe that people who deliberately betray the safety of the state and deliberately serve an alien and hostile power deserve heavy sentences. I believe therefore that it is proper that we should provide heavy sentences, although in the case of lesser offences it would not be necessary to impose a maximum sentence.

It is interesting to note here that the question of the sentence was considered when the act was passed in 1939. At that time the then minister of justice was asked why the penalty was limited to seven years, and, as reported at page 4723 of *Hansard* of May 30, 1939, he pointed out that in the English act, on which the bill then before the house was based, the maximum penalty was fourteen years' imprisonment. Then he went on to say that the maximum in the bill then before the house had been set at seven years' hard labour. He then indicated that some thought had been given to the question, and that it had been decided in our act to limit the maximum imprisonment to seven years.

I point that out only as a matter of historical interest, when it is now decided that we should lock the door after the horse has been stolen. It was felt previously that seven years was sufficient to act as a deterrent, whereas it is now felt that seven years is not sufficient either as a penalty or as a deterrent to people who may be tempted to commit these offences.

As to another thing that the bill is supposed to do, namely, to provide that the act shall now have extraterritorial application, I suggest that here again we find a piece of window-dressing. My contention is that the present act has extraterritorial application. Section 13(1) of the act states:

> For the purposes of the trial of a person for an offence under this act, the offence shall be deemed to have been committed either at the place in which the same actually was committed, or any place in Canada in which the offender may be found.

The minister has put his finger on the real difficulty in these cases, namely, that the criminal must be caught before he can be prosecuted.

Mr. Garson: Does not the hon. member think that that section is subject to the usual rules of interpretation, namely, that it applies only to offences within Canada?

Mr. Fulton: I do not interpret the section in that way at all. It appears to be deliberately and definitely directed towards the question where the offence may be committed. There are no limiting words. At this point I do not want to enter into a legal argument; the matter may not be of great import, because it has been clearly proved that the act has extraterritorial application. However, I do suggest that this is a piece of window-dressing, because it appears, to me at any rate, that the present act has extraterritorial application, by reason of the words:

> —the offence shall be deemed to have been committed either at the place in which the same actually was committed, or at any place in Canada in which the offender may be found.

If the offender is brought back to Canada, which must happen before he can be tried, he is then charged with an offence against the act, and that offence may be deemed to have been committed at any place in Canada in which the offender may be found. But he must be found in Canada in order to be tried. The provisions of the English act on which this bill is based are in somewhat the same terms, although not exactly parallel. However, they are intended obviously to give their act extraterritorial application. Section 10(1) of the English official secrets act reads:

> This act shall apply to all acts which are offences under this act when committed in any part of His Majesty's dominions, or when committed by British officers or subjects elsewhere.

My criticism of the bill so far is that it accomplishes nothing, or at the best very little. A good deal of publicity and anticipation has been created with regard to its introduction, as though the bill in fact was implementing the recommendations of the royal commission that additional safeguards be provided. The royal commission recommended that there be additional safeguards against espionage and against the communication of information prejudicial to the state. This bill does not provide those additional

safeguards, in the sense that it makes very little change in the law with respect to the prosecution of persons accused of offences.

I find the bill quite unsatisfactory. What we need is a bill which will provide additional protection against espionage and against the communication of information to foreign powers. The recommendations of the royal commission show the vital need of some such provision. The report of the royal commission makes it terrifyingly clear that we had an elaborate espionage system in this country. It minces no words in telling us that the Russian embassy was the base of that espionage system. It states that that was carried on under three separate agencies, the most important being under the direction of the Russian military attaché. We had a spy system in this country and nothing that has happened since indicates that there is any ground for assuming that that spy system has ceased to exist.

I should like to refer to a Canadian Press dispatch which I happened to notice in the Montreal *Gazette* of yesterday, and which reads:

Soviet Boosts Ottawa Staff

Military attachés are trained observers of three services.

Ottawa, June 20—(CP)—The Russians have boosted the military representation at their Ottawa embassy to five officers in recent weeks, it was disclosed today by the external affairs department. A few months ago the department reported two as the total.

I do not want to say that that article indicates that the espionage system is being built up again, or strengthened, but in view of the clear and specific report of the royal commission, where no words were minced as to the activities being carried on at the Russian embassy, we should certainly be on our guard. These things should warn us that something is still necessary to protect us against this espionage system.

I find nothing in the bill. Other recommendations in the report of the royal commission are to the effect that we need additional safeguards. I should like to refer particularly to recommendations 2, 3 and 6, to be found on page 689 of the report, as follows:

2. That the proper authorities in each service, department and organization take such steps as may be considered desirable and effective, in the light of this report and of the evidence and exhibits, to prevent further unauthorized transmission of information and to set up further safeguards.

3. That all security measures should be co-ordinated and rendered as uniform as possible.

6. That consideration be given to any additional security measures which would be practical to prevent the infiltration into positions of trust under the government of persons likely to commit acts such as those described in this report.

[Mr. Fulton.]

Those recommendations make it clear that at that time the attention of the royal commission was directed to the provision of additional safeguards against a repetition of what they found had been going on. The necessity of taking those precautions is more important now than it was then, and this bill does not fulfil that requirement.

This matter of security precautions or legislation against espionage and the communication of official secrets is difficult to discuss reasonably, because we are working with a complete lack of factual information as to what is being done. I and others have attempted—I shall confine my remarks to my own attempts—to obtain factual information as to what has been found out as to the extent of this espionage system, as to the extent of infiltration into the government service, and as to the extent of our counter measures and the removal from the government employ of any who were found to be untrustworthy.

So far I have drawn virtually a blank. No answers of a factual nature have been given to the specific questions which were asked, and we are left to go largely on guesswork and speculation. We must work in an atmosphere of secrecy. There is a veil of secrecy over the whole subject, not even a corner of which has been lifted. I appreciate the importance of maintaining security and the difficulty of disclosing security methods, but I cannot agree that it is impossible to give factual information as to the success, or failure if you like, of security measures.

I should like to refer to a couple of questions which were asked in this regard, and the answers which were given. On May 24 the following questions were put by me and answered, or so-called answers were given, as reported on page 2810 of *Hansard*:

1. Have the Royal Canadian Mounted Police been able to identify all of the 150 persons then resident in Canada, listed in the notebook found as a result of the espionage investigations of 1945 and 1946, containing the name of Klaus Fuchs?

2. If not, how many have they been able to identify?

The minister's answer, while courteous and lengthy, gives no information whatsoever. It tells us what we already knew, that the notebook contained the names of 150 persons said to be resident at that time in Canada. That was a part of the question. We were told that it formed only one item of many thousands of documents seized, and that in this mass of material so seized there were many such notebooks, also desk calendars, memo pads and a lot of other matters not relevant to the question because the question was about a particular notebook. It will be remembered that the suggestion was that certainly the conclusion reached

by many others besides myself was that amongst the 150 names there were, although they may not all have been, some who were involved at one time or another in the business of espionage. The minister went on to say:

> The list of the 150 names referred to was carefully checked to ascertain which of these 150 names, if any, were those of persons who could be suspected of espionage or subversive activity. It was found that a limited number of the persons named belonged to either or both of these groups.
>
> In all such cases where positive identification proved possible, the entries were then related to and dealt with on the appropriate investigation files. As some of these investigations are still current, it will be appreciated that it would not be desirable to specify the number of persons identified. The majority of the entries in this notebook, however, refer to professional people and others of good repute whose loyalty is beyond question.

The question asked, with reference to these names, in how many cases it had been possible to establish positive identification. It did not ask how many of them were found to be spies or how many were suspected of being spies. It asked for factual information. It asked in how many cases the R.C.M.P. had been able to say: This is the actual person; we know who he is and where he is. That was the only information asked for, and in an answer of three paragraphs the question is evaded and no factual answer is given.

The second question on that subject was:

> How many of the 150 Canadians listed in the notebook found as a result of the espionage investigations . . . and containing the name of Klaus Fuchs (a) have been in the employ of the dominion government at any time since June, 1945; (b) are now in the employ of the dominion government?

Again that is a factual question. I did not ask how many spies; I asked how many of the persons listed and identified in the notebook were in the employ of the government since 1945 and are still in the employ of the government. Again the question was not answered. The reply of the minister was:

> This question cannot be answered with precision in view of the time covered by (a) and the vagueness of the identifying data available in the notebook.

The time covered by part (a) was simply the period from 1945 up to the present. The answer continued:

> It can be said, however, that the number involved was small.

There again we are left with vague and indefinite replies conveying no information on which we can form an opinion whether the security measures now being taken are adequate, and whether an adequate check has been made on the security of the people whose trustworthiness is so vital to the interests of the state. There is no information on which we can form an opinion whether a check has been made and whether the steps taken as a result thereof have been adequate to protect the safety of the state.

Another question I asked is to be found at page 3467 of *Hansard* of June 12, together with the reply made by the Minister of Justice. The question was:

> 1. In each department or branch of government or board or corporation set up by the government, how many employees, if any, have been discharged or been in any way released for reasons having to do with security?

There are two other parts to the question. Again the minister's answer was courteous and lengthy, but, however courteous and lengthy it may have been, it was a complete denial of information. The minister's answer consisted of a general statement of the government's approach to this question of security within the ranks of government employees. He said that it would be unfair to give the name of a man removed from employment with the government on suspicion of being a communist, because it might prejudice his chances of future employment, and that no information could be given. One part of the question had to do with how many in each department, and that is all. The reason for the question was to find out how thorough the check has been, what departments have been investigated and what are the results in terms of figures as to the number of cases in which action has been taken. That would not identify any of the employees in question, if there are any. We are not even told whether the number, if any, is large or small. We are not told anything on which we can form a conclusion whether or not the measures in the bill are adequate.

As to the question of unfairness to a man who is genuinely suspected of being disloyal, I cannot think of anything more prejudicial to him than mere release from his employment. If he seeks other employment, he is bound to be asked what his last job was. He will be asked: Where were you last working? If he says that he had been in the government service he will be asked: What about a recommendation? Why did you leave your job? Can the minister honestly support the thesis that a person who is entirely unable to produce any recommendation or reasons for release from the government service would readily find further employment? I cannot see that the minister's reason for refusing to disclose factual information is a valid one. I did not even ask for names, but merely for factual information as to the number involved. I cannot see that the reason the minister gave for refusing to give the information is anything more than pure fiction.

As I say, the lack of information makes it extremely difficult to discuss the question of security on a reasonable basis, because we are working in the realm of uncertainty. No one wants a witch hunt, but everyone wants to be and is entitled to be satisfied that adequate measures have been and are being taken. When that kind of factual information is refused, one is left to draw one of two obvious conclusions. Either the investigation is not adequate or the results have been so disturbing that it is not considered in the public interest to disclose them. I suggest that the second conclusion is unfair to the civil service and to government employees generally.

My main anxiety in the discussion of the bill, in previous discussions and questions having to do with security, has been to find out whether adequate precautions are being taken and whether adequate measures have been taken to deal with such breaches of security or such genuine suspicions as have been aroused. We have had no information. We are invited to take it on trust, and when the safety of the state is involved I regret to say that I cannot do so. I want facts and figures to establish the accuracy of what the minister says when he maintains that all adequate and necessary measures are being taken.

What has come out, however, what has been disclosed in the replies that have been made, gives us ground for concern of a different sort. The information that the security officer in the department is the deputy minister, and that he can remove a government employee from his service on grounds of suspicion alone, gives rise to the gravest concern about the methods being followed. This means that the whole security of civil service employment is under attack. One of the greatest advantages of civil service employment has been security of tenure in office. Before I go further I want to say that another reason why I object so strenuously to the secrecy which surrounds this whole thing is that I believe, as I hope the minister will agree on reflection, it is unfair to the civil service and to government employees generally, because it cannot help but create the impression that the results of this security screening have been so disturbing that nothing should be said about it. I certainly do not want to believe that is the fact. I am confident that the loyalty of government employees and those in the civil service of Canada is as high as it possibly could be. But I suggest that the loyalty of the civil service does not need to be protected by this screen of secrecy.

[Mr. Fulton.]

Mr. Garson: I wonder if I may raise a point or order. I do so with great reluctance, because my hon. friend is always so generous and courteous in his attitude toward his fellow members that I do not like to raise a question against him. I suggest, however, that the motion before the house is for the second reading of a bill to amend the Official Secrets Act in four particulars. It seems to me the observations my hon. friend has been making about the matter of security generally and what should be done in regard to maintaining security in the civil service are irrelevant to the motion before the house, under which, as I understand it, the discussion should be confined to the question whether or not this act should be amended in the manner indicated. We are not now passing the Official Secrets Act; we are seeking to amend it in certain specific particulars. I want to make it clear that I have no objection in the world to discussing the subject matter of my hon. friend's remarks at the proper time, which I take it would be on the estimates of my department. Then we could discuss them with much greater freedom than here, because we are circumscribed by the motion before the house. I seriously raise the point of order that what my hon. friend has been saying for some little time now is irrelevant to the motion before the house.

Mr. Fulton: On the point of order, I suggest that the bill deals with the subject of security. It deals with the Official Secrets Act and the amendment of that act, as the minister said, to provide additional safeguards as recommended by the royal commission on espionage. The whole question of official secrets relates to the public service, to those in office or employment "under His Majesty", which are the words that appear in the bill before us and in the Official Secrets Act. The whole intention of that act is directed toward those who, by the nature of their employment, may be in possession of official secrets. That is one of the large aspects; the other is those who come into possession of such secrets improperly. One way in which they come into possession of those secrets is if they have been improperly communicated by those who have properly come into possession of them. So this act necessarily involves the security of those in possession of official secrets, and I submit that the discussion that has been going on is perfectly in order. Indeed, it would be impossible to discuss this bill adequately without referring to the very subject I have been dealing with.

Mr. Green: I should like to direct your attention, Mr. Speaker, to the first sentence in the explanatory note, which I think makes

it perfectly clear that the remarks of the hon. member for Kamloops (Mr. Fulton) are in order. That sentence reads:

> The principal purpose of this amendment is to extend the meaning of the expression "office under His Majesty" to embrace employment in, on or under a board, commission, corporation or other body that is an agent of His Majesty in right of Canada or any province.

I believe that enables the hon. member to discuss the service, and I submit that he was clearly in order in the remarks he was making.

Mr. Garson: If I may speak to the point of order again, this bill purports to make certain specific amendments to certain specific sections. If my hon. friend thinks the amendments sought are not adequate and wishes to discuss others which in his opinion would be adequate, it is open to him to introduce an amendment or some other motion under which he could refer to these other matters. As long as this bill remains before the house, however, I think the bare question in section 1, for example, is whether paragraph (h) of section 2 of the Official Secrets Act should be repealed and another wording substituted for it.

Mr. Fleming: We are not in committee of the whole yet.

Mr. Garson: No; but, as I indicated in my remarks, the principle of the bill is whether these four amendments should be introduced. It is not a wide principle; it is quite narrow. I suggest to my hon. friend, through you, Mr. Speaker, that the discussion in which he has been engaging, which is exceedingly interesting and useful, could be carried on to much greater advantage to all concerned on another occasion.

Mr. Fulton: If I may make just one further observation on the point of order, I feel it is quite clear that this bill deals with the amendment of the Official Secrets Act. That necessarily raises the whole question of security, including security with respect to those holding office under His Majesty. I suggest that it would be impossible to discuss that question without discussing the whole matter of security. The minister has suggested that the purpose of the bill—and the purpose must be related to the principle—is to carry out a recommendation that additional safeguards be provided. To say that in discussing the principle of this bill one is precluded from suggesting that the safeguards are not adequate, or from urging what would be adequate safeguards or measures, I suggest is impossibly narrowing the scope of the principle of the bill, and in fact rendering discussion of that principle impossible.

Mr. Stewart (Winnipeg North): Mr. Speaker, I do not think it is the hon. member for Kamloops (Mr. Fulton) who is out of order. As he has pointed out, he is discussing matters which were introduced by the minister himself—the question of security, how it should be administered, and what should be done about it. It is the minister who was out of order when he dealt with the clauses of the bill rather than the principle on the motion for second reading. We in the opposition said nothing but allowed the minister to go ahead, with a certain amount of leniency which he has not seen fit to reciprocate.

Mr. Fulton: I am nearly through, incidentally.

Mr. Speaker: While the hon. member for Kamloops was speaking I was considering whether or not his remarks were in order, in view of the fact that the Official Secrets Act in toto is not before the house, but only certain amendments to it. In view of what has been said by the hon. member for Winnipeg North (Mr. Stewart) I might add that when the minister was speaking I did think he was referring to the sections of the bill in perhaps a little more detail than is usual on a motion for second reading. However, the nature of this bill makes it difficult to present an adequate argument to the house without referring to the sections. I might also add that when the minister was speaking, no exception was taken to his remarks, and I assumed he had the unanimous consent of the house to deal with the bill on second reading in the manner in which he dealt with it.

Referring once again to the remarks of the member for Kamloops he read a number of questions and answers referring to the number of employees who had been dismissed because of security reasons. I concluded that he wanted that information so that he could decide whether or not paragraph 1 should be put into effect. I believe the information might have been better obtained on another occasion, but in view of what had taken place up to that time I did not stop him. I believe the hon. member is going rather far afield when he discusses the whole question of security. The minister has not seen fit to bring in measures other than those that are set forth in this bill to provide adequate safeguards. If the hon. member feels there are other safeguards that should be introduced, he should bring up that question on some other occasion which is afforded to him under the rules of the house. I would ask him now, since objection has been taken to this general

discussion, to confine his remarks to the general principle of the four amendments which have been introduced to this bill.

Mr. Fulton: Mr. Speaker, I thank you for the consideration which has been given to the remarks I have made so far. I confess that I find it difficult to continue, indeed to say anything, as I pointed out earlier, without referring to the matter I was discussing. In view of Your Honour's remarks I shall endeavour to do so without transgressing your ruling. If I do transgress, I hope you will draw my attention, sir, to the fact, and I shall govern myself accordingly.

What I wish to do in trying to relate my remarks to the bill actually before us, without dealing in detail with the sections, is to refer to that part of the bill which relates to those who hold office under His Majesty, the definition of which is enlarged by the bill. It seems to me that is obviously the type of person with whom this bill specifically deals. In his earlier statements on this subject the minister outlined to us the approach of the government towards the matter of ensuring that those who hold office under His Majesty shall be the type of person who can be relied upon absolutely not to convey these official secrets, persons who are not likely to do anything prejudicial to the safety of the state. The minister has told us of the method followed to make that assurance a reality, and it was with that method that I was dealing.

I believe I have said sufficient on that score to indicate that while we have had no information which would justify our concluding that adequate measures have in fact been taken, yet we have had information which causes us concern as to what the implications of that method may be. The point I have in mind here is that persons who are removed from their employment on the ground that they are persons likely to communicate official secrets and are therefore untrustworthy have no opportunity of having their cases heard. My main concern, as I have already indicated, is that there shall not be in the government employ anyone likely to do that, but I should hate to see any measures taken which would go so far as to jeopardize the security of employment generally of government employees. Surely one of the greatest freedoms is the freedom to work. If a man can be removed from office now on the ground of suspicion, as the minister said, while we hope and trust that that right will not be exercised unfairly, it does open the door to the unfair exercise of it. It makes it possible for a man whom it is desired to remove, but who cannot be removed on any other grounds, to be removed simply because it is said he is suspected of being a person likely to reveal official secrets. Although I insist that I want to see adequate measures taken, I do not think that is the proper way to go about it.

I am going to make a concrete suggestion, Mr. Speaker, and then I shall be through. My suggestion is that there should be an appeal board set up to whom those removed on the ground that they are untrustworthy or likely to communicate official secrets could appeal if they wished. I believe this suggestion has merit. The board should consist of, first, the deputy minister of the department concerned, who is the security officer, as the minister has told us; second, the Solicitor General or his nominee, representing the Department of Justice and the Royal Canadian Mounted Police; third, a representative of the civil service commission; fourth, two representatives to be chosen from a panel of approximately a dozen suitable names submitted by the civil service association. There would be a panel of a dozen to protect the interests of the civil servant or government employee, from which panel two may be drawn in any specific case. The board would then consist of three government appointees and two civil service association nominees. A person released for security reasons may, if he wishes, appeal to that board. The board will not cost anything because the members are civil servants, and this service could be given without prejudice to their normal employment. It would therefore be a board which could be carried on at no cost to the government or the country. If that were done, or something of the kind, we could insist upon the most stringent security screening being pursued, confident that no injustice could be done, no witch hunt started. If a person felt he was unjustly accused or suspected, he would have the right of appeal. I suggest that anyone who knows in his heart he is justly accused or suspected will not appeal. Only those who are unjustly accused would appeal. With that safeguard, we could proceed without doubt or hesitancy with a stringent security screening of all employees, particularly in departments which are designated as vulnerable.

Mr. Speaker, may I then just refer to one other concrete matter arising out of—

Mr. Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Fulton: Does that include the time taken for the point of order?

Mr. Speaker: I have allowed some additional time for that.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, this to me is rather a memorable occasion, for I find myself in substantial agreement with what the hon. member for Kamloops (Mr. Fulton) has said We have differed in the past, always in a friendly way, of course; but today I feel that he is substantially right in what he has said.

I also accept the legislation which is before us, although I do not altogether share some of the reservations and the doubts which have been expressed. The hon. member for Kamloops said that the bill has failed to safeguard us against espionage, treason and kindred obnoxious things. I do not very well see how legislation could have done that without becoming excessively bulky. Indeed there are as many aspects to treachery as there are quirks to the human mind. The responsibility is completely that of the government in seeing that certain individuals are not given the opportunity to act as traitors. What additional safeguards are required must, I think, rather lie with the security department rather than with legislation.

The minister pointed out in his opening remarks that this bill was based in part upon the recommendations of the royal commission of a few years ago, and that it is designed to provide the state with additional safeguards. The hon. member for Kamloops wants to see the state safeguarded—a proper and laudable object, with which I fully agree. He mentioned of course the fact that there are spies in Canada. I must admit that I am not frightfully alarmed about that, because I think there have been spies here for a number of years, as there are spies in every country. We may not like spies, but sometimes, like the poor, they are with us and it is the responsibility of the government to try to eradicate them. The fact there are spies here today—and I believe there are—should not be a matter for undue alarm.

The hon. member went on to say that we must safeguard the individual as well as the state. Perhaps it is possible that when he was introducing this legislation the Minister of Justice (Mr. Garson) was thinking primarily of safeguarding the state; but it may be proper for us to consider also the safeguards which should be extended to individuals under legislation such as this.

The other day, I think it was in answer to the hon. member for Kamloops, the minister made a statement about security which at once reassured me and at the same time left me with doubts in my mind I was reassured so far as the measures which are being taken for security are concerned, but I was not at all reassured as to the method by which the accused could defend himself. In other words, we are facing the constant problem in a democracy in times such as these of trying to reconcile national security with individual freedom, and it is a tremendously important problem. There can be no question that those who are disloyal must not be employed by the government; and if they are proven to be disloyal, and indeed traitors, they should be punished, and punished most severely.

I have no objection to the clause which provides that fourteen years will be the maximum sentence, for I think that examples should be made of those who are in positions of responsibility if they behave in a treacherous way toward the state. But while we admit that treachery must be punished, while we admit there must be complete security, especially in vulnerable departments, I would dislike to see it interpreted as meaning that every department of state had to be screened from the point of view of security. That I think would be entirely unnecessary, and indeed could be dispensed with.

In the last few minutes in which he spoke, the hon. member for Kamloops mentioned this matter of the security of the individual, and it is one which merits most careful attention in every part of the house. We have a situation just now where one man in each department, the deputy minister, is given the responsibility of acting as judge, and it is a heavy responsibility to lay upon any one man. It is one which I myself would not like to have to bear. It is giving too much power to the deputy minister. In that I do not say I have not a high regard for the calibre of these civil servants, but I think that they themselves might prefer to see this responsibility shared with others. What is even more important, those who are suspected must of course be protected.

The other year I was trying to get some information about security, with the same lack of success as the hon. member for Kamloops. I was trying to find out what the situation was, for instance, with regard to a subversive gathering. I got an interesting answer from the Department of Justice. It was as follows: "A gathering of a subversive character is a gathering of persons conducting subversive activities." As an answer it has its humorous aspects, but one could not say that it is accompanied by very much intelligence. You see, our problem is that there are different definitions of what may be a subversive activity. I am firmly convinced that the political actions of communists and fascists in this country are subversive; but on the other hand there may be the possibility of guilt by association. It may be possible that

an individual went to hear the Red Dean, and some might consider that this meeting was obviously a subversive meeting, and those who went to it were subversive characters. I think that would be most unfortunate, because there would be some who went to the meeting from, let us say, a purely sociological point of view, to find out what made it tick. Therefore there is a danger about guilt by association; but others may not fear that as I do. That is where I think it is so necessary that we should have a board of review. I am not sure whether it should be an appeal board, as the hon. member for Kamloops said; but I think there should be provision for appeal.

As the situation exists, where there is a character who is suspected he is at the mercy of the deputy minister. I think that where there is a civil servant who is under suspicion he should be informed of the charges which are laid against him, and should be allowed to appear before the review board. What its constitution is at the moment I do not care very much. Then the review board should report to the deputy minister on the facts of the situation, and on the facts alone; the deputy minister should then recommend to his minister what action should be taken, and the final appeal should be with the minister himself. So often we find that dossiers on individuals may be compiled from hearsay, or perhaps from his being interested in some organization in earlier and more indiscreet days. There are dangers, we must admit, about dossiers as there are dangers in holding against people their membership in organizations which they may have taken out quite a number of years ago and long since left. Since that time the individuals concerned have probably changed their minds substantially. I know that I myself, and perhaps other members in earlier years, belonged to what now appear to be rather odd organizations. But I think if it is important to safeguard the state—and no one will deny it—it is equally important to safeguard the individual.

That is why I mention this today. It is unfortunate that a man who is only suspected should be dismissed, because, as has been pointed out, his opportunity of getting further employment is more than limited. I should think it would be the objective of the government not only to safeguard the state but also to safeguard the freedoms which we cherish in a democratic country.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, it is fair to characterize the present bill as too little and too late.

[Mr. Stewart (Winnipeg North).]

The minister began his speech by associating the bill with a recommendation contained in the report of the royal commission on espionage, a report which, if my memory is correct, was submitted to the House of Commons four years ago this month. That report contained in the plainest possible terms, among other important recommendations, the following as No. 5:

> That the Official Secrets Act, 1939, be studied in the light of the information contained in this report and in the evidence and exhibits and, if it is thought advisable, that it be amended to provide additional safeguards.

The house was in session at the time. That was the session of 1946. We had before us then the whole startling exposure of a master spy ring in Canada having for its purpose the transfer of Canadian secrets to a foreign power, the most startling spy exposure in all the history of Canada.

As I have said, the house was in session at the time. The government asked the house to take no action at that session in the light of the report. Came the session of 1947, and still the house was asked to take no action. Came the session of 1948, summoned early, as we will remember, in the fall of 1947, to deal with something that the government said was so urgent that it could not wait, namely the ratification of the Geneva agreements. And so the house met late in the fall of 1947. This subject was taboo. Throughout that part of the session in 1947, and throughout the balance of the session in 1948, the government asked for no action from parliament to implement this particular recommendation of the royal commission. Came 1949, with two sessions of the house, and still no request for action to implement that report. Now we are asked, in what are expected to be the last few days of the 1950 session, to take the meagre action embodied in this bill.

And so I say that if the subject matter of this bill is important it was just as important in 1946 and in the intervening years as it is today. Why, then, has the country been kept waiting for four years for this meagre action on the part of the government? There has been no unwillingness on the part of hon. members to discuss the subject or to deal with any measure which would have grappled with the problem or would have fulfilled the recommendations contained in that very important report of the royal commission.

Indeed, the question has been raised frequently in the house, and the interest has not diminished in this present session when it has been mentioned a number of times. The whole attitude of the government in relation to the problem of security with which in a measure this bill proposes to cope has been

that the law as we have it is adequate to deal with the situation. After we heard the Minister of Justice (Mr. Garson) claim on May 3 that the present law is adequate to deal with subversive communist activities in Canada, upon which occasion he referred to the Official Secrets Act, those of us who do not share the view of the minister, that the legislation of this parliament is now adequate, may feel some measure of vindication in the fact that at long last the minister has seen fit to introduce even this bill to amend the Official Secrets Act, with a view to tightening up some of its provisions.

In recent days the house has been told that there is something in the nature of an emergency facing the country which calls for special measures in aid of national defence, and which calls for the house to overlook some of the normal peacetime safeguards parliament seeks to apply to defence purchases and other undertakings on the part of the government. If there is an emergency in connection with the defence of the country, then certainly one would have thought the Minister of Justice would have been bringing forward more ample legislation to deal with some of the internal aspects of that threat to national defence which, on suitable occasions, we are asked to consider.

It seems that one week when the government finds an emergency suitable for its purposes there is an emergency. The following week, when it suits the convenience of the government to disclaim or to deny the existence of an emergency, then so far as it is concerned there is no emergency.

I think we have had enough of this blowing hot and cold. If there is an emergency in connection with the defence of Canada and it calls for special measures, as the government has been telling us, then certainly it ought to be laying before the house some legislative proposals to deal with some of these problems in relation to the internal security of Canada—and it will need to be something more far-reaching than we find in the present bill.

Let us see the contents of the bill as related to the history of the legislation germane to it. We begin with legislation of the Westminster parliament. In modern times the first official secrets act there goes back to 1889, the present act dating from 1911. That act was revised somewhat in 1920 and then, in 1939, prior to the outbreak of war, it was further slightly amended. In Canada the Official Secrets Act of the United Kingdom of 1911 had extraterritorial application, and we had in addition sections 85 and 86 of the Criminal Code, provisions which did not go nearly as far as our present Official Secrets Act. They were not so extensive in the scope of their provisions.

In 1939 the parliament of Canada, prior to the outbreak of war, enacted our Official Secrets Act which, by section 15, repealed sections 85 and 86 of the Criminal Code and also repealed the Official Secrets Act of 1911 of the United Kingdom, in so far as it related to Canada. So we have our own act beginning in 1939 and continuing without amendment to this date. It may be said that when our act was passed in 1939 it greatly extended the scope of such legislation in this country, and did increase the penalties. The penalties attached to offences under section 86, subsection 1, of the code were not as heavy as those imposed by the Official Secrets Act.

It is interesting to note that when the 1911 act was enacted at Westminster many of the offences were considered to be misdemeanours and were not created felonies. The punishment attached to the misdemeanours was not at all heavy in the light of present-day standards and world conditions. For instance, the penalties for misdemeanours were laid down in section 8, subsection 2, of the 1920 act as follows:

> (2) Any person who is guilty of a misdemeanour under the principal act or this act shall be liable on conviction on indictment to imprisonment, with or without hard labour, for a term not exceeding two years, or, on conviction under the Summary Jurisdiction Acts, to imprisonment, with or without hard labour, for a term not exceeding three months or to a fine not exceeding fifty pounds, or both such imprisonment and fine.

Subsection 1 of the same section deals with felonies. It reads:

> (1) Any person who is guilty of a felony under the principal act or this act shall be liable to penal servitude for a term of not less than three years and not exceeding fourteen years.

That was the model used for the Canadian act of 1939. When at that time parliament came to write the penalty section a maximum imprisonment of 14 years was not adopted, the maximum penalty being limited to seven years. It seems to me that in the amending bill before us, increasing the term of imprisonment which may be imposed for offences under the act, there might be some question raised as to why 14 years was not adopted as the maximum term of imprisonment when our act was enacted in 1939.

As far as they go I am sure the four purposes of the bill outlined by the minister commend themselves to all hon. members. The first one, which deals with the problem of extending the application of the act to employees of government boards or commissions or corporations, is necessary having regard to the large number of persons

employed today by such bodies and also the fact that such bodies are engaged in enterprises on behalf of the government which bring them more closely in contact with secrets which would be of great value to a potential enemy and whose loss or disclosure would be seriously prejudicial to the national interest than the great majority of those who are classified as civil servants and directly engaged in the work of the government departments and who are now embraced within the scope of the Official Secrets Act, 1939. When we go into committee there may be some observations I shall wish to make on those provisions, but I think there can be no doubt as to the necessity of extending the scope of the act to include employees of government boards, commissions and corporations.

I do not propose at this stage to dwell at any length on the second point, namely the extension of the scope of the act to certain aspects of those offences which may be committed outside the territorial limits of Canada. There may be some observations that will be called for in committee.

I have dealt with the third point, namely the matter of penalties attached to breaches of the act.

In conclusion I should like to refer to one or two matters which I think are deserving of mention. I for one have deplored the disposition which has been manifested by certain members of the government every time this particular subject is raised to scream, "witch hunt." Nobody in this house had advocated any witch hunt within the civil service or within any of these boards, commissions or corporations that are associated with the government. But many of us have been legitimately concerned about security measures and have been alarmed at what we consider, I think on ample grounds, to be apathy and want of sufficient and resolute action on the part of the government.

When anything has been said about these matters some members of the administration have immediately screamed, as I have said, "witch hunt." Surely it is apparent, when we hear such statements in relation to civil servants or government boards or government departments, as were made at the last session by ministers in regard to the national film board, that there is full justification for our calling for effective measures to rid the civil service and these boards, corporations and commissions associated with government of all who are disaffected or whose loyalty cannot be fully trusted.

Surely it is obvious, in the light of these statements made by ministers opposite during the last session of this house, that it was the minimum duty of the government to carry on that kind of survey with a view to clearing all those members of the civil service and employees of government corporations and boards whose loyalty had been called into question by the statements made by ministers on those occasions and whose patriotism and devotion to the public good were beyond reproach. I welcome the suggestion made by the hon. member for Kamloops (Mr. Fulton) that within the scope of government there should be some means by which those who have been thought on inquiry unworthy to be trusted in respect to their loyalty to Canada should have an opportunity on appeal to establish their innocence, if indeed they are innocent. Surely that is the minimum duty of this parliament to the civil service.

But along with that must go effective measures for meeting within Canada from whatever quarter it may come any attack on our security. We know from the disclosures of the royal commission of 1946 how anxious those who were directing the spy system were to plant their spies within the government service and within government corporations and boards which were dealing with matters vitally essential to the public welfare and the safety of this country. I submit that there must be on the part of the government the most effective vigilance in regard to these operations.

Then with regard to the efforts to follow up the disclosures made in the report of the royal commission based on the evidence that was adduced before it, I say that we must press the government not to relax one iota of that vigilance which is so essential at the present time. This measure, too little and too late, is deserving of support as far as it goes. We say we would like to see some evidence on the part of the government of more effective measures to meet a situation which the government at times is prepared to describe as one of emergent proportions.

We will continue to ask why the government has not taken steps to implement and fulfil the other recommendations in the report of the royal commission. For four years we have waited for this meagre attempt at fulfilment of just one of the recommendations. As my colleague, the hon. member for Kamloops (Mr. Fulton) pointed out, the bill does not by any means exhaust the scope of recommendation No. 5 of the royal commission with respect to the Official Secrets Act. This is simply going a part of the way that the royal commission emphatically recommended in its fifth recommendation in the report.

They did not say that recommendation was any more important than the others. There were seven recommendations altogether,

only one of which has been followed by action on the part of the government hitherto. We would still like to know a good deal about what is being done and what is going to be done as to the recommendation with respect to passports. We do not see any evidence of action being taken as to that or the other important recommendations in the report of the royal commission.

We always come back to this point. When we see the Minister of Justice (Mr. Garson) taking the attitude revealed in the house on May 3 and other occasions that the present law is all right, that we do not need any more law to deal with the subversive activities of those who are at work in our midst seeking to overthrow our institutions, seeking to expand their spying activities in a way that will necessarily always be prejudicial to the interests of the country, then we will continue to say to the Minister of Justice that we insist on the most vigorous kind of enforcement of the law as it now stands. We want more law, but if the law is not to be extended, then at least we will demand the most vigorous enforcement of the law as it exists. Wherever dangers and threats to our national institutions and safety exist we will continue to ask through parliament in a democratic manner for effective measures to deal with them. We will continue to demand on the part of the government vigorous and effective enforcement of those measures that the government has given parliament the opportunity to enact.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I shall be brief as I do not wish to delay the passage of this bill. If I were to repeat the words used by the hon. member for Eglinton (Mr. Fleming) and say that this bill is too mild, that it comes too late, it would not be for the same reasons. Although I will gladly vote for this bill I do think it is rather mild in the sense that I am more drastic than the Minister of Justice (Mr. Garson) and the government when it comes to dealing with communism. If indeed it comes too late, it may be due to the fact that in the past we have been too lenient with those whose philosophy calls for the complete destruction of our democratic institutions.

In a letter he wrote to his young friend Ivanoff in 1936, Stalin pointed out that the proletariat should aim at the conquest of the world both politically and economically. He concluded his letter by saying:

> The victory of the proletariat shall be final in Russia only when the international proletariat, having joined forces with us, will have overthrown the present bourgeois system.

Therefore we can never be too strict in dealing with these people or in the enactment of legislation designed to prevent them from obtaining official secrets which they would use to undermine our institutions. It would not do to use an "iron hand in a velvet glove". Let us therefore remove the glove and use the bare hand so they will know we mean business.

I have listened attentively to the various speeches. In my opinion we must not be too indulgent. Whether dealing with so-called fellow travellers, pinks, supporters or ill-advised people that are not too conversant with the communist ideal, let us treat them with the utmost severity, because they are a threat to our institutions.

I therefore accept the statement of the Minister of Justice who claims that this bill gives us adequate protection. I am not prepared to accept it literally but rather in the spirit in which it was offered. He meant that the law as it now stands in Canada is adequate in so far as it is applied on every occasion. However, even though I shall vote in favour of the bill, I maintain that governments the world over, and not only our own, as daily events have shown, have not been alarmed soon enough by the threat of communism.

At present, ramifications of the communist fifth column spread throughout the world. It cannot be compared with that which the nazis operated before the war because it works on a much wider scale and, compared to the other, is as a giant to a dwarf. We must therefore not stay off our guard any longer. We should support every measure, every gesture which might, in the opinion of our leaders, curb communist activity and the chances that those people, working in the dark, have of destroying our institutions.

Unfortunately, the public inevitably look to the government to safeguard economic conditions. People are content to speak of "social security" and apparently feel that this alone will settle the matter. They should also, after thorough self-examination, be mindful of spiritual security for it is only through self-examination that individuals and governments will secure passage of such bills as are required for our protection.

As a matter of fact, if the individual invariably banks on the government, without going to the trouble of studying in order to understand the true nature of communism, he does not broaden his personal outlook and, like

those who caution us against the communist peril without knowing anything about it, is liable to do things that will outdo the communists themselves in fostering the expansion of their evil doctrine.

We should not always put it up to the government, but we should try to help it. It is through personal knowledge, through specific suggestions and personal example that the private individual may convince his countrymen, not only that he believes in the communist menace, but that he also proposes to prevent its spread by doing his bit, as should any public-minded citizens.

An hon. member said earlier that a crusade must be launched to prevent the spread of this ever-growing danger. I hope that after this bill has been passed, the Canadian government will deal with an iron hand with the activities of subversive agencies in this country. There should be no suggestion at all of tying the hands of the authorities when it is a question of preventing important military secrets from falling into the hands of certain people. There should be no political ties so strong as to prevent our governments from taking necessary measures.

Likewise, anyone who happens to have information which is likely to help our leaders in their efforts to prevent our institutions from being destroyed by those who have long been planning such a *coup d'état* is in duty bound to supply any such information to the government of his country.

(Text):

Mr. J. G. Diefenbaker (Lake Centre): I want to say just a few words with regard to these amendments. I believe the hon. member for Kamloops (Mr. Fulton) brought forward some excellent suggestions, well worthy of consideration by the government. However, I am going to restrict myself to one or two references to the proposed amendments to the Official Secrets Act. I believe everyone will agree that the climate for those who would commit treason or who would become spies should be made as inclement as possible, but I am afraid that climate has not been made much more inclement by the amendments now proposed by the minister. I had not intended to refer to the sections, but the minister having done so perhaps I might be given the same consideration.

As far as the first section is concerned, I doubt whether any wrongdoer has escaped punishment because of the fact that the amendments there proposed were not included in the original Official Secrets Act. With respect to section 2, I asked the minister whether during the past five years any wrongdoers had escaped punishment or conviction by reason of the fact that this section was not in the act, and he frankly answered that there had been none. Finally there is the section adding to the penalty. With that section there can be no argument; but, sir, doubling the penalty without at the same time doubling the activities of the department will get little results. Penalties, however great they may be, if unimposed are of very little efficacy in dealing with treason, sedition or espionage. In 1939 the then minister of justice, Mr. Lapointe, placed upon the statute books of this country the Official Secrets Act, an almost exact copy of the British act with the changes necessary to make it applicable to Canada. At that time he was asked why the penalty was not the same as under the British act, and he had this to say, at page 4723 of *Hansard* for May 30, 1939:

> The committee who have been in charge of the preparation of this legislation have discussed the question whether the penalty should be made still more severe, a longer term than seven years, but that was decided against because those who drafted the bill were of the opinion that a more severe prison term would not deter foreigners or spies engaged by foreign governments from carrying on their business but would serve to restrain only such persons as are spoken of as small fry, and that for them seven years would be adequate.

Well, Mr. Speaker, no particular reason has been advanced by the present minister for these amendments, but I suggest the real reason is a properly aroused public opinion. Instead of doing anything adequate to meet the situation, as I see it these amendments merely indicate a willingness and desire to improve the law, but place no teeth in the Official Secrets Act and do not carry out the recommendations of the royal commission.

I should like to have seen this bill submitted to a committee which would include outstanding counsel from all quarters of the house. I see them here. There is one to my right who has just returned from Saskatchewan; I refer to the hon. member for Yorkton (Mr. Stewart). I also see the hon. member for Spadina (Mr. Croll), and if I went through the list of hon. members I could mention many others. Put them on a committee; do what we did in the dark days of June, 1940, when Right Hon. Mr. Lapointe brought in amendments to constitute the offence of treachery. He submitted those amendments to a committee which included outstanding legal men in the house, leaders of the bar. Two or three of them are judges today; others have left public life. Out of the discussions of that committee came an act that was enforceable, that had teeth. It never

had to be used because it was feared; there was the will to enforce it, and it was enforced.

The member for Eglinton (Mr. Fleming) says that this indicates the minister has changed his mind in the last six weeks; that bringing in this legislation indicates a change of mind. I do not want to disagree with my friend, but I think it shows no change of mind. It merely shows a desire to lead the people to believe that there has been a change of mind, for there is nothing in that bill that would have interfered with or prevented any of the things that happened in the last five years in this country. The minister has frankly admitted that in so far as the material section is concerned. If he desired to focus the public opinion of this country in legislation, he could give the members of this house an opportunity in a committee similar to the defence of Canada committee in 1940 of bringing in suggested amendments to the Official Secrets Act concerning treason and sedition, while at the same time maintaining the freedom of the individual and assuring that freedom shall not be used to destroy freedom.

Now, sir, is there any prosecution? There have only been two cases since 1935 under the law respecting sedition. The only prosecutions under the Official Secrets Act were those arising in 1945 and 1946 out of the royal commission. The royal commission recommended that several things be done. It pointed out that there was another spy ring in Canada, and indicated that it was even more serious than the one Ivor Gouzenko was able to reveal after he had made strenuous efforts to interest the government at that time in the revelations he made. He called here at the House of Commons; he called upon the Minister of Justice and pressed for action. It was only after he had pressed and pressed again for action that his views were finally accepted, and action was taken. Surely parliament has the right to know whether investigations have taken place since then; whether this other espionage ring, terrible in its ramifications and implications according to the report of the royal commission, has been investigated; whether action has been taken to punish the wrongdoers within that ring. To all of these questions we receive the usual answer, it is not in the public interest. It was in the public interest for the royal commission to say that there was a dangerous espionage ring in this country. Is it not in the public interest for the minister to say, if there was that dangerous ring and it was in existence in 1946, why it is there has been no prosecution, no action taken publicly as against the wrongdoers?

Official Secrets Act

The other day I asked the minister a simple question, as to whether or not the dominion was operating in conjunction with the provincial attorneys general. The member for Kamloops (Mr. Fulton) spoke of evasive answers, full of words and politeness. This answer I received will take its place in the same category. It reads as follows:

> The Minister of Justice does not send regular reports concerning communist activities that come to the knowledge of the security branch of the Royal Canadian Mounted Police to the attorneys general of the provinces;

My answer to the minister is, why not? The minister's reply continues:

> . . . for officers commanding the Royal Canadian Mounted Police in the six provinces policed by the Royal Canadian Mounted Police under contract are responsible for keeping the respective attorneys general informed regarding communist activities, . . .

The investigations made by the Royal Canadian Mounted Police are not the only security investigation. Why are the other security branch investigations not communicated to the provinces? One wonders sometimes why this—

Mr. Garson: Will my hon. friend read the remainder of the answer?

Mr. Diefenbaker: Yes, all right. I mentioned the six provinces.

> . . . and in other provinces, liaison is maintained by the Royal Canadian Mounted Police with the respective provincial police forces in matters relating to subversive activities.

Those subversive activities are only the subversive activities which the mounted police investigate in those provinces. Why is there not some central organization within the mounted police, some security panel, for spreading the information to the various attorneys general of the provinces and securing thereby their co-operation in preventing the expansion of illegal communist activities within this country?

So far as this bill is concerned, the indication has been given by the member for Kamloops and the member for Eglinton that all of us support it. But let no one in this country believe that under these amendments any serious advance is being made in meeting the situation. All that is being done is to provide for a contingency that has not existed in making it an offence under the secrets act for a Canadian who owes allegiance to His Majesty to commit an offence beyond the territorial limits of Canada, and in addition to that adding to the penalty. Penalties increased and not enforced are meaningless, and are merely words. I know we are met invariably by the same answer that it is not in the public interest. That is not the answer of the

British parliament. There the government of the day went into detail regarding Dr. Fuchs. They went into detail regarding what was done. In this country the Minister of Justice does as he is doing now; he laughs when one mentions the illegal activities of these people.

Mr. Garson: Mr. Speaker, I desire to inform the hon. member that I was laughing at the inaccuracy of his statement regarding the procedure in the British House of Commons.

Mr. Diefenbaker: Has the minister read the debates that occurred in the British house? He must answer no or he could not make the statement he has just made. The people of this country are asking for answers. They are asking for the assurance that something is to be done. I say that legislation such as this, which increases the penalty but in no way puts into the Official Secrets Act the type of enforcement that people are demanding to meet the situation with which the nations of the world are faced by communist infiltration and propaganda, serves no useful purpose. So far as this bill is concerned, it is fine. It is even being misunderstood in some sections of the press. I have seen in certain editorials the statement that it is a tremendous step forward. Read it! The only step forward is to make provision for those who commit extraterritorial offences while owing Canadian allegiance either directly or indirectly. Apart from that the bill does nothing to carry into effect the seven recommendations made by the royal commission of 1946. After all, we in this country have to rely on the Minister of Justice. Either the law is carried out or it is not. All we can say is this. We are asking him to assure that the law is being carried out; for two prosecutions in fifteen years, other than those taken in 1945, do not constrain one to believe that that forcefulness and zeal are being exercised that should be exercised. We do not forget that in 1932 Mr. Carr had his naturalization certificate cancelled for sedition. We do not forget that just before the election in 1945 Mr. Carr had his naturalization certificate restored to him. These are things difficult to understand. Carr was no different in 1945 from what he was in 1932.

Later on the royal commission found evidence against him and he was prosecuted; but the fact remains that he was able to establish to the satisfaction of the then minister in charge of naturalization that he, the enemy of 1932, was in 1945 worthy of the citizenship of which he had been previously unworthy.

Mr. Deputy Speaker: If the Minister of Justice speaks now he will close the debate.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like for a very few moments—and they will be very few because I can deal with the points that are relevant very briefly—to comment upon some of the speeches which have been offered by opposition speakers. They all agree that they are to support this bill. They think it is worthy of their support as far as it goes; and, as I understand their language, their contention is merely that it does not go far enough. In their speeches, notably those of the hon. member for Eglinton (Mr. Fleming) and the hon. member for Lake Centre (Mr. Diefenbaker), is contained the reason why it is not possible at this time to go any further than we have gone. Both of these hon. gentlemen make it very clear. The hon. member for Eglinton traced the history of this legislation back through the British parliament, and indicated that our act of 1939 was almost an exact copy of the substance of the British act.

Mr. Fulton: That is what the Minister of Justice said.

Mr. Garson: The British act is of long standing. I would suggest to my hon. friends, and to you, sir, that the British parliament is not lacking in experience; that the law officers of the crown in England are men of considerable competence in their field, and that we have some competent men in Canada; and that when we in 1939 adopted the substance of an act which had been in effect in Great Britain for some years, and in connection with which those in charge of its enforcement have had all of the information which arises from experience, it would be rather surprising if that act was not in pretty good shape at the time we adopted it in 1939.

On the present occasion we say to this house—I think I made it very clear in my remarks in moving the second reading of the bill—that the four amendments which are now before hon. members represent those respects in which we think that an act which right now, before the amendments go into effect, is in quite good shape, can be fairly substantially improved.

In our deliberations with respect to these amendments we consulted of course with the Royal Canadian Mounted Police and with our own security panel. We consulted as far as we could with some of the able lawyers who were connected with the prosecutions arising out of the royal commission on espionage in 1946, and we would have consulted to a greater extent than we did but

for the fact that the counsel for that commission, and some of the special prosecutors we had in the individual prosecutions afterwards, being leading members of the Canadian bar, consented to ornament the Canadian bench.

It is only today that the hon. member for Calgary West (Mr. Smith) referred to them in laudatory terms, in complimenting the department of which I am the head, in respect of their appointment to the bench of the Supreme Court of Canada. He referred to them as the cream of the Canadian bar.

When they go to the bench it makes it very embarrassing indeed to have any consultations, for reasons that would be obvious to every hon. member, but we have been able to secure a written opinion expressed in a letter by one of these eminent gentlemen before he went on the bench, when he was still a member of the bar, with reference to this very matter which we now have under discussion. If I may, sir, I should like to contrast this statement with the rather extravagant statements we have just listened to from the hon. member from Lake Centre, and to compare it with the more reserved, more careful and I think more accurate statements of the law made by the hon. member for Eglinton in his admirably prepared speech today.

This is a letter written by John R. Cartwright when he was a member of the bar, and which he has given me his permission to produce today. It is written to Arthur G. Slaght, who was the counsel for our commission engaged in the consolidation of our Criminal Code. I should like to put on the record all of those portions of the letter which deal with the Official Secrets Act amendments which we are now considering. Mr. Cartwright said in his letter:

Thank you for your letter of the 18th of May—

Mr. Diefenbaker: What is the date?

Mr. Garson: May 20, 1949. I continue:

Thank you for your letter of the 18th of May dealing with the commission on the Criminal Code revision.

I have considered the question raised in your letter as to the provisions of the Official Secrets Act.

In none of the cases of prosecutions under this act in which I acted as counsel did I find any particular difficulty by reason of the form of the act. I do not think that any of those who were acquitted were acquitted by reason of any defect in the act, nor do I think that any of those who were convicted were convicted because of any special statutory presumptions which the act contains.

If I were to suggest that consideration be given to any amendment of the act it would be in regard to the penalty.

May I submit this particular observation to those like the hon. member for Eglinton or the hon. member for Lake Centre, who were suggesting that perhaps the Canadian parliament of 1939 was wise when it confined the penalties upon the little fellows to seven years.

Mr. Diefenbaker: No; all I did was to quote Mr. Lapointe.

Mr. Garson: I continue:

As you know the maximum penalty under the act is seven years' imprisonment.

I am not suggesting that in any of the cases in which I was concerned this was not an adequate penalty.

This is a complete answer to the point made by the hon. member for Kamloops (Mr. Fulton) about closing the stable door after the horse had gone. At that point he was referring to the increase in the penalty. Mr. Cartwright points out:

Indeed, in no case was the maximum penalty imposed.

They did not impose the maximum.

It is however easy to imagine circumstances in which a breach of the act might result in very serious injury being done to our country.

Mr. Fulton: Does not the minister consider it would be possible that if there had been a maximum penalty of fourteen years the penalty actually imposed might well have been greater—because as I recall it the maximum penalty imposed was six years, which was close to the maximum then allowed. Had the maximum been fourteen years at that time, the penalty imposed might have been ten or twelve years.

Mr. Garson: I do not concede that, although I do not hold myself out as an expert. I understand my hon. friend may have a different opinion, and I would respect his opinion as being about equally expert with mine. Neither of us perhaps is particularly expert in the matter. But I should think that if, based upon the facts of the case, the judge who tried it had thought that the accused was subject to a penalty of seven years he would have imposed that penalty, when the maximum penalty allowed by statute was that particular period of time.

Then, returning to Mr. Cartwright's letter:

It is however easy to imagine circumstances in which a breach of the act might result in very serious injury being done to our country. Suppose for example very valuable information were given to a foreign power with which we were at peace but which it was probable we would very shortly be at war; this might result in the loss of thousands of lives and for the matter of that in the loss of the war itself and the present maximum penalty would be altogether inadequate.

There was another point raised by the hon. member for Kamloops in which he contended, as I understood him, that it was unnecessary for us to introduce in section 2

of the bill any provision for the extra-territorial operation of the act, because he contended the act is already extraterritorial in its effect. In that connection he quoted a section from the act.

I suggest that upon reflection he will agree that the Official Secrets Act as it now stands, before amendment, like any other Canadian statute must apply in accordance with the ordinary rules of statutory interpretation only to things done in Canada, unless the act specifically states that it is to apply to things done outside Canada. That is the purpose of section 2 of the bill.

If there is the slightest degree of merit in the contention of the hon. member for Lake Centre (Mr. Diefenbaker) that we did not make the climate very much more inclement for offenders by the present amendment, it is because the Official Secrets Act which is modelled after or, as he put it, is in almost the exact language of the British act, provides a climate which is already exceedingly inclement at the present time.

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

On section 1—*"Office under His Majesty."*

Mr. Diefenbaker: Have any cases been brought to the minister's attention since he has been Minister of Justice wherein an offence was committed by an individual on or under any board, commission, corporation or other body that is an agent of His Majesty in right of Canada, and where such individual escaped because of the lack of inclusion of these words?

Mr. Garson: No, I think not. As a matter of fact when my hon. friend interjected a similar question during my remarks on second reading, I pointed out that we know of no case in which any of these amendments has had any application to an actual case which has arisen. But in that connection I suggest it is extremely important to close the door before the horse has been stolen.

Mr. Diefenbaker: I do not disagree with that; I was just asking the question. The minister has referred frequently to a security panel. What does he mean by that? Who are the personnel?

Mr. Garson: I would have no objection to giving my answer in general terms, but I think the question is not closely related to the bill. It is an interdepartmental committee the full details of which I shall be glad to discuss when my estimates are under consideration.

[Mr. Garson.]

Mr. Fleming: The new definition in section 2 (h) provides that "office under His Majesty"—

—includes any office or employment in or under any department or branch of the government of Canada or of any province, and any office or employment in, on or under any board, commission, corporation or other body that is an agent of His Majesty in right of Canada or any province.

We find in this definition expressions which have not hitherto appeared in the act. I am somewhat concerned about the proper interpretation of the concluding words, "an agent of His Majesty." There is no definition in the act as to who is an agent of His Majesty. We want to see this provision made broad enough to include all government boards, agencies, commissions and corporations, and I am raising the point now that the words "an agent of His Majesty" may be somewhat restrictive. There are other expressions used now in all the courts to describe boards or commissions associated with the government as emanations of the crown. I concede that perhaps it is difficult in a definition of this kind to make sure that no fish shall escape from the net. However, I must confess that upon reading this section I am somewhat concerned lest these concluding words be restrictive when they ought to be designed to be as inclusive as possible.

Mr. Garson: I think the answer to my hon. friend's question is to be found in a bill we passed yesterday to amend the statute law. If the hon. member would examine the language of the amending section which by that bill we were introducing into each of the acts of the various crown corporations concerned he would see that in each case those corporations were stated to be, in the terms of the statute, agents of His Majesty.

In view of the fact that that process has been followed with regard to all of these corporations, and those which are covered by the Government Companies Operation Act, a general act covering other government corporations such as Polymer, and makes them agents, this seems to cover his point quite well.

Mr. Fleming: I would point out to the minister that Bill No. 313, to amend the statute law, to which he referred, does not go as far as he has indicated. I have the bill before me and I find that in every case where that bill provides for an amendment to the terms of some particular named statute these words are used:

The corporation—

Or council or whatever it may be.

—is for all purposes of this act an agent of His Majesty.

The fact is that in the statutes creating the various crown corporations in each case it is provided that for all purposes of its own particular act the particular corporation, board or commission is an agent of His Majesty. But it is not general in scope; it would not apply outside that particular act. I urge the minister to consider the desirability of some extension of this definition because I am satisfied that Bill No. 313 does not contribute to the definition of the words "agent of His Majesty" for the purposes of the Official Secrets Act.

Mr. Garson: The corporation to which my hon. friend has just referred is the agent of His Majesty for the purposes of that act. For example, the Central Mortgage and Housing Corporation Act outlines the scope of the activities of the Central Mortgage and Housing Corporation. That corporation has no powers outside the act which creates it. Therefore, I am inclined to differ from my hon. friend. But I want to give his suggestion the consideration it deserves and if we could pass on to other sections of the bill I would be glad to let this section stand and discuss it with the legislative counsel who drafted this bill to see whether he agrees with my hon. friend's view or with my view.

Mr. Fleming: May I make another observation which I hope may be worthy of consideration before this section is taken up again. I urge that no risk be taken even though the section may conceivably be open to the interpretation the minister suggests, with which respectfully I do not agree. I repeat that no risk should be taken because we may be sure that in a court of criminal jurisdiction the language will be very strictly construed.

Mr. Garson: I agree with my hon. friend that no risk should be taken and that is why I suggest that the section should stand.

Section stands.

On section 2—*Offences committed outside Canada triable in Canada.*

Mr. Diefenbaker: There is one question I should like to ask. I have in mind the suggestion that there have been some Canadians who have left Canada in the last year or two to go abroad, presumably to Moscow to attend the international Lenin school, and also that passports have been issued to certain persons who are presumed to have attended that school which is set up for the purpose of teaching destruction. What co-operation is there between the Department of Justice, the security panel, and the Department of External Affairs which would issue the passports, to prevent these people from going abroad under the protection of a passport for purposes which indicate their readiness to commit revolution on their return?

Within the last two or three years certain people left Canada for Europe in order to go behind the iron curtain. They had been naturalized but they left Canada because they did not like this country. They disavowed their Canadian citizenship and their naturalization and spurned the freedom that this country gave them. Some are now returning to the localities where they formerly lived. These things look rather strange to their compatriots in Canada. Can the minister give the committee and the country some idea of what is being done to prevent these people returning once they have spurned our freedom, condemned it, ridiculed it and then come back expecting to be accepted as good citizens, a qualification that they never possessed by reason of their activities?

Mr. Garson: I am sorry I cannot help my hon. friend. Not only is his question not relevant to section 2 of this bill; I do not think it would be relevant to the estimates of the Department of Justice. The question he is asking would come partly under the Secretary of State for External Affairs and partly under the department of immigration. I certainly would not want to become involved in answering a question which had to do with departments of my colleagues.

Mr. Diefenbaker: This section covers wrongdoing outside Canada, as I understand it. If a person having a Canadian passport leaves Canada to go to Moscow to attend a school which teaches the practices and arts of disruption, he commits an offence, does he not, under this section? Surely there must be some co-operation between the Department of Justice and the other department that issues passports to such people?

Mr. Garson: Of course there is co-operation. My hon. friend seeks an answer which can be responsive only if it indicates with some measure of accuracy what the position of these people is, with regard to their passports on going away or with regard to the immigration regulations on coming back again. I am afraid I cannot oblige my hon. friend by giving that answer. If he is asking whether these people who left Canada in that way took from Canada and disclosed to Moscow or to any person outside Canada any code word, pass word, sketch, plan, model, article, and so on, as provided for in section 12A(a), then of course upon their return to Canada, provided we had evidence to substantiate a charge of that kind, we

could and we would prosecute. That could be done whether they were Canadian citizens before they left or not. Section 12A is intended to cover a case of that sort and that is why it is being inserted in the act.

Mr. Fulton: I was concerned about that in connection with this question of extraterritoriality and whether this amendment in section 2 is not necessary to make it clear that section 3 has an extraterritorial effect. I think the minister will agree with me that we do not need any amendment as to extraterritoriality in that particular part of section 3.

Mr. Garson: Which part of section 3?

Mr. Fulton: I am referring to subsections 3 and 4 particularly. Subsection 3 of the present section 3 reads:

> In any proceedings against a person for an offence under this section, the fact that he has been in communciation with, or attempted to communicate with, an agent of a foreign power, whether within or without Canada, shall be evidence that he has, for a purpose prejudicial to the safety or interests of the state, obtained or attempted to obtain information which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power.

It seems to me that section 2 of the bill giving extraterritorial effect to the whole act is not necessary, but that is not the point I was about to make, unless the minister wishes to comment on that.

Mr. Garson: Is the point not this, that section 3 and the other section that my hon. friend read earlier—

Mr. Fleming: Section 13.

Mr. Garson: —section 13(1) and section 3(3) are references in the act to the effect that certain circumstances will have certain effects, and in relation to what? In relation to an act. What act? An act committed in Canada, as the statute stands at the present time. It is only when we give extraterritorial effect to the act by the bill now before hon. members that we can utilize those sections to which my hon. friend has referred in a prosecution in Canada in respect of an offence which has been committed outside Canada. In other words, you cannot have any extraterritorial quality in an act unless you specifically provide it, and that is what we are doing in the present case. You must specify in the statute that the act of the accused will be an offence in spite of the fact that it took place outside Canadian territory.

Mr. Fulton: The point I am making is with respect to section 3 of the present act, but I am prepared to concede the validity of the minister's argument that as to the other sections there is no such provision and therefore the amendment incorporated in the bill to give extraterritorial effect is necessary and desirable. It seems to me we now have it doubly sure in so far as section 3 is concerned. I wanted to ask the minister if he will concede—

Mr. Garson: If my hon. friend will read subsection 3 of section 3 of the present act he will see that it says:

> In any proceedings against a person for an offence under this section, the fact that he has been in communication with, or attempted to communicate with, an agent of a foreign power, whether within or without Canada . . .

As the act now stands, that refers to the agent of the foreign power. If the person within Canada has communicated or attempted to communicate with an agent of a foreign power outside Canada he will be guilty of the offence.

Mr. Fulton: That is a pretty narrow restriction on the wording which I do not think is quite justified when you read the words in their plain connotation. What I want to ask the minister is whether subsection 3 of section 3, with its present extraterritorial effect, would not be available to justify prosecution and obtain a conviction against known communists of the type to which the hon. member for Lake Centre referred, who go to these countries and obviously communicate with agents of foreign powers, and whose character, known conduct, and so on establish in accordance with the terms of the act that they are doing it for a purpose prejudicial—and in fact they are assumed to be by the wording of the section—to the safety of the state. I want to ask the minister whether, now that we have the extraterritorial effect given by the amendment, we will not be in a position to prosecute people who go behind the iron curtain and communicate with agents of foreign powers.

Mr. Garson: I am afraid I did not quite understand the hon. member.

Mr. Fulton: I am asking the minister whether we will now be in a position to prosecute known communists who go behind the iron curtain and communicate with agents of foreign powers. I am asking whether, with the extraterritorial effect being given to the whole act, we will not be able to prosecute such people under section 3.

Mr. Garson: Yes, I think we shall certainly be able to do so, but subject of course to the fact that you have to apprehend them in Canada if they return here and you have to get evidence of what they did in the foreign country. Then you could prosecute them.

Mr. Fulton: I may be interpreting the words too widely, but what I am interested in now is subsection 2 of section 3. I am happy if it has the result I hope it has. That subsection reads:

On a prosecution under this section, it shall not be necessary to show that the accused person was guilty of any particular act tending to show a purpose prejudicial to the safety or interests of the state, and, notwithstanding that no such act is proved against him—

That is, no particular act.

—he may be convicted if, from the circumstances of the case, or his conduct, or his known character as proved, it appears that his purpose was a purpose prejudicial to the safety or interests of the state...

With the extraterritorial effect which the act will now have, and which I say it had before but which we agree it has now, I wonder whether those words are wide enough to justify prosecution against known communists—I will name one if you like, Tim Buck—who go behind the iron curtain and communicate intimately and at length with agents—I do not mean just citizens—of foreign powers.

Mr. Garson: Let us look at the beginning of section 3. It reads:

3. (1) If any person for any purpose prejudicial to the safety or interests of the state—

I shall omit (a) and read (b):

Mr. Diefenbaker: What section is the minister reading?

Mr. Garson: Section 3 of the Official Secrets Act.

3. (1) If any person for any purpose prejudicial to the safety or interests of the state,

(b) makes any sketch, plan, model or note which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power; or

(c) obtains, collects, records, or publishes, . . . any sketch, plan, model, article, or note, or other document or information—

Mr. Fulton: "Or other document or information"—those are surely the important words.

Mr. Garson: Yes.

—which is calculated to be or might be or is intended to be directly or indirectly useful to a foreign power; he shall be guilty of an offence under this act.

Then follows subsection 2 which the hon. member quoted. It reads:

(2) On a prosecution under this section, it shall not be necessary to show that the accused person was guilty of any particular act tending to show a purpose prejudicial to the safety or interests of the state, and, notwithstanding that no such act is proved against him, he may be convicted if, from the circumstances of the case, or his conduct, or his known character as proved, it appears that his purpose was a purpose prejudicial to the safety or interests of the state . . .

Keeping that in mind, I should like my hon. friend to look at the new section 12A to be enacted by the bill. It reads this way:

12A. The acts, omissions and things made offences by this act shall be triable and punishable in Canada notwithstanding they were committed outside Canada, in the following cases:

(b) where any code word, pass word, sketch, plan, model, article, note, document, information or other thing whatsoever in respect of which an offender is charged was obtained by him, or depends upon information which he obtained, while owing allegiance to His Majesty in right of Canada.

I suggest that the new section 12A applies quite clearly to the offence of obtaining and passing on this information to which my hon. friend referred. If a Canadian or someone owing allegiance to Canada, not necessarily a Canadian citizen at all but a citizen of another country who does not possess diplomatic immunity or of a country which is not at war according to international law, goes away and discloses information he obtained in Canada, then the extraterritorial effect of 12A will apply and he can be convicted, though the offence did not take place within Canadian territory at all. Have I made my point clear?

Mr. Fulton: Yes, indeed, as far as the minister has gone, but he has not quite cleared up what I asked further, as to how wide is the effect of those words in subsection 2 which raise a presumption against him. That presumption, as I see it, in the case of persons of known character is that by communicating with the agent of a foreign power he can be presumed to have been giving information prejudicial to the safety and interests of the state. How wide is the effect of those words? Can these known communists now be prosecuted merely for going behind the iron curtain and having been shown there to have communicated with agents of a foreign power, even though you cannot prove what they said or did?

Mr. Garson: My hon. friend is as much a lawyer as I am, and he has paid me a very delicate compliment in asking for my opinion in the matter. I should think it would turn, would it not, on whether or not it appears that his purpose was prejudicial to the safety of the state? In other words, in the case of a man who had gone to Yugoslavia or Russia and given this information, that person would be charged. The prosecution would open its case and would proceed to prove it under the authority of this amendment just as though the offence had been committed in Canada. When it came to the application of subsection 2 of section 3, I should think that section would apply in relation to that offence which had taken place in Russia just as it would apply in the case of an offence

committed in Canada. The purpose of making it extraterritorial is to have the offence triable in Canada although it took place in another country. As far as section 3, subsection 2 is concerned, I take it that is a provision of general application to all prosecutions under the act. I would be interested to know whether my hon. friend agrees with that view.

Mr. Fulton: I suppose the only way to find out is for the minister now to institute a few prosecutions against some of these people, as I hope he will.

Mr. Fleming: I am concerned with the opening words of section 12A, as to whether they go as far as the minister believes and as far as I am sure we would all like to see them go. Those words are:

> The acts, omissions and things made offences by this act shall be triable and punishable in Canada notwithstanding they were committed outside Canada, in the following cases—

The argument put forward by the minister has been that at the very least many offences under the act are not offences if they are committed outside Canada. Indeed his argument may go so far as to suggest that none of them are offences unless they are committed within Canada. It seems to me, however, this section does not expressly say that offences, in the cases referred to in paragraphs (a) and (b), if committed outside Canada are offences. It does not say that. We are up against the problem created by the rule of interpretation to which the minister made reference earlier, that legislation has no extraterritorial effect unless it so provides in express terms. No offence will be created under our law if the act is committed outside Canada, unless our legislation expressly provides that such an act becomes an offence. It seems to me these words fall short of saying that acts committed outside Canada become offences.

I draw attention to the fact that it is only the acts, omissions and things that are made offences by the act that become triable and punishable in Canada, but those acts, omissions and things are not offences under the act today. So it seems to me the words "shall be triable and punishable" are not enough. You must create the offence in the acts, omissions and things committed outside Canada. They have to be made an offence before the provision that they may be triable and punishable in Canada has any effect. Therefore as a matter of drafting and interpretation it seems to me we should have here a provision that such acts, omissions and things as are made offences by this act are offences notwithstanding that they may be committed outside Canada in certain cases. Then the provision that they shall be triable and punishable in Canada may follow.

I believe the point I am raising now would be bound to be raised by any counsel acting for an individual accused under this section, and I hope we are not going to leave open any door that might make it possible for that point to be argued successfully.

Mr. Garson: Earlier in the afternoon the hon. member for Lake Centre suggested that we should submit the substance of this bill to a committee of lawyers. I am inclined to think we are getting the same result at the moment. It is a very good result, and we are glad to have these suggestions and to treat them seriously. I must say I do not share the views of my hon. friend. It seems to me the Official Secrets Act states very clearly what shall constitute an offence under it. If that offence takes place in Canada it is triable and punishable in Canada. If it happens to take place outside Canada, heretofore it has not been punishable in Canada.

Mr. Fleming: Because it is not an offence under the act.

Mr. Garson: It is still an offence, but it did not take place here. That is where I differ with my hon. friend. However, it would not be hard to meet the view of my hon. friend, as long as in doing so we do not create more difficulty than we solve. I take it that what he wants is a statement something along these lines: "The acts, omissions and things made offences by this act, notwithstanding that they were committed outside Canada shall be offences under this act, and shall be triable and punishable in Canada in the following cases," and then go on with the balance of the section. I am quite agreeable to having this section stand so I may check on this point, because one of the purposes we expect to serve in a committee like this is to obtain the benefit of the views of hon. members. I can do that during the dinner recess.

Mr. Fleming: Then may I touch upon a couple of other points which the minister might be good enough to consider as well. In the first place may I ask what is the relationship of this new offence to extradition? Is this going to be an extraditable offence?

Mr. Garson: No, it is not an extraditable offence. If the hon. member was in the chamber when second reading was moved he may remember I said that the difficulty of actually apprehending an accused might not be so great as it would appear. Citizens in a friendly country such as the United States, who are guilty of this sort of conduct, would probably be deported and we would get them in that way. As I understand it, none of these offences under this act are at the present time extraditable.

Mr. Fleming: I think, so far as possible, an effort should be made to make offences of this kind extraditable. When we see now that there are gaps, which we are trying to close by extending the territorial effect of the legislation, I believe it would add greatly to the effect of the legislation if such offences could be made extraditable by treaty.

The other point I should like to mention relates to the final words in paragraph (b) of section 2 of the bill. They refer to "owing allegiance to His Majesty in right of Canada". I draw to the attention of the minister the fact that the words "in right of Canada" are not necessary because in the interpretation section of the act the point is already taken care of. Section 2, paragraph (a) of the act, provides that "any reference to His Majesty means His Majesty in the right of Canada or of any province". I think, therefore, those last four words are unnecessary.

I just mention also, Mr. Chairman, that it seems to me unnecessarily restrictive to the scope of allegiance to His Majesty to add "in right of Canada". I am not going to take up the time of the house to discuss the difference between allegiance to His Majesty in the right of Canada and allegiance to His Majesty in the right of some of his other dominions or possessions. I think when we are trying to make this statute as effective as possible, serious consideration ought to be given to removing confining or restrictive words such as those in the interpretation section, "in right of Canada or of any province". In other words to deal with those who are subjects of His Majesty as effectively as we can today the act should simply refer to "subjects of His Majesty", whether they are Canadian subjects of His Majesty or subjects of His Majesty in other parts of the commonwealth, because the offences against which we are legislating are just as deserving of condemnation in the case of any other of His Majesty's subjects as in the case of Canadian citizens. I offer that as a suggestion.

Mr. Garson: I thought when I was listening to my hon. friend that he perhaps was confusing allegiance with citizenship. Is this not the situation? An alien owes allegiance to this country while he is within the country, unless he has diplomatic immunity. What we are considering here is the trial in Canada of, we will say, an alien, who has obtained information while owing allegiance to Canada —that means while he was within Canada— and then has disclosed that information in another country. I do not think it would make much sense if you indicated he was owing allegiance to another country of the commonwealth because the prosecution is in Canada. He owes allegiance to Canada while he is here. I believe the phrase used in the bill is the proper and apt phrase. I believe it would serve no useful purpose if you said that, while he owes allegiance to, we will say the British commonwealth—

Mr. Fleming: It is still allegiance to His Majesty.

Mr. Garson: —while he owes allegiance to His Majesty in the right of Canada—in other words, if he obtains this information while he is in Canada. That is the whole point. He obtained the information while he was in Canada, and then he has gone to another country and disclosed it to that other country. The purpose of this amendment is to enable us to prosecute him in Canada for disclosing information, say in Russia, which he has obtained in Canada while he owed allegiance to Canada. It seems to me therefore that the reference to his owing allegiance to Canada is quite apt.

The Deputy Chairman: Shall the section carry?

Mr. Fleming: No, the minister said it would stand.

Mr. Garson: This section will stand.

Section stands.

On section 3—*Penalties.*

Mr. Fulton: Will the minister say a word about the removal of the fine, which I am rather sorry to see. While I think the fine should not be made an alternative to a prison sentence, it would mean that a man could get off without a fine. I believe it should be left as a possible addition to a prison sentence. While I do not press it as an amendment to this act, I would like to see the fine left in the case of a corporation, because it was contemplated in the act that there would be a provision for a substantial fine in addition to the prison term which may be imposed upon the directors.

Mr. Garson: Under the new section the prison term has been increased to fourteen years, and the section goes on to provide:

> . . . but such person may, at the election of the attorney general, be prosecuted summarily in the manner provided by part XV of the Criminal Code, and, if so prosecuted, shall be punishable by fine not exceeding five hundred dollars, or by imprisonment not exceeding twelve months, or by both fine and imprisonment.

Now I believe that is why the election is provided for the attorney general, where he considers the offence to be of a less serious character, to proceed summarily. If proceeding by an indictment, you do so only in those cases of a serious character, in reference

to which I would think no amount of fine would be regarded as a suitable punishment. I can see some point to what my hon. friend says, that it may be imposed in addition, but I should think if a man got a ten-year term there would be little likelihood of his paying a fine under those circumstances. As a rule a man pays a fine in order to escape going to jail. There would not be much likelihood of the fine being paid.

Mr. Fulton: There would be likelihood of a fine being paid if it were a corporation. A prison term may be imposed on the directors, but the corporation would not be hurt unless you had the right to impose a substantial fine on it. However I am not going to press it, but I am sorry to see that provision abandoned.

Section agreed to.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Deputy Chairman: We will revert to clause 1.

On section 1—*"Office under His Majesty"*.

Mr. Garson: Mr. Chairman, the point which my hon. friend raised in connection with this section was that we required, so that no doubt would arise, some definition of the phrase "agent of His Majesty" in respect of these corporations created by the crown. I suggest in that connection, after consulting with the counsel who drew this bill, that the remarks which I made previously are correct, namely, that the bill which we passed yesterday to amend our statute law makes it very clear that these various crown corporations are and can be in no respect anything except an agent of His Majesty.

We have amended the various crown corporation acts to this effect, that:

> The commission is for all purposes of this act an agent of His Majesty and its powers under this act may be exercised only as an agent of His Majesty.

Having regard to the fact that the only powers which these corporations possess are powers which are given to them by the statutes which incorporate them, and all these powers can only be exercised as an agent of His Majesty, it is inconceivable that they could act in any other capacity. Therefore we think that the present wording of clause 1 should stand the way it is. It is quite adequate for its purposes as it stands.

Section agreed to.

[Mr. Garson.]

On section 2—*Offences committed outside Canada triable in Canada.*

Mr. Garson: In connection with clause 2, Mr. Chairman, my hon. friend made a point to which we gave consideration. Together we have worked out a wording which I think meets the point which was raised by my hon. friend and is quite satisfactory to the legislative counsel and to myself. If my hon. friend would move it—

Mr. Fleming: I move:

> That the first four lines of section 12A as enacted by clause 2 of the bill be struck out and the following substituted therefor:
>
> An act, omission or thing that would, by reason of this act, be punishable as an offence if committed in Canada is, if committed outside Canada, an offence against this act, triable and punishable in Canada, in the following cases:

Amendment agreed to.

Mr. Garson: My hon. friend raised one other point, namely, that the final four words of the section, "in right of Canada", should be deleted since the term "His Majesty" has already been defined in the Official Secrets Act as "His Majesty in right of Canada or any province."

Mr. Fleming: I move:

> That the words "in right of Canada" in clause 12A (b) as enacted in section 2 of the bill be stricken out.

Amendment agreed to.

Section as amended agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time—now?

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

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

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING CHILDREN BORN IN CANADA TO DIPLOMATS, CERTIFICATES TO PERSONS LOSING CITIZENSHIP THROUGH MARRIAGE, ETC.

Hon. W. E. Harris (Minister of Citizenship and Immigration) moved the second reading of Bill No. 315, to amend the Canadian Citizenship Act.

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

Mr. Harris (Grey-Bruce): Mr. Speaker, when the Canadian Citizenship Act was passed by parliament in the session of 1946,

the principal objective was the creation of a distinctive Canadian citizenship and the establishment of a procedure designed to instil in our new citizens from other lands an appreciation of the responsibilities and the privileges of Canadian citizenship. This change in our concept of citizenship in Canada was received with enthusiasm from many quarters and has continued to receive the active support of individuals and groups of persons across Canada.

However, as in all experiments with something new, our experience of the past three and a half years since the act came into effect on January 1, 1947, has revealed a necessity for clarification of some of the sections, the addition of certain amendments regarding which there has been a considerable public demand, and, in particular, to bring the act in alignment with recent changes that have taken place in the legislation of other countries of the British commonwealth.

Some of the minor changes which are proposed in this bill are definitions of the words "alien" and "foreign"; a definition of "Canadian ship" expanded to include aircraft; and the deletion of the definition of the word "consulate", to provide for registration under the regulations.

A new provision is that which excludes from the status of natural-born Canadian citizens the children born in Canada of parents who are the diplomatic or consular representatives of foreign governments in Canada, or who are employees in the service of these representatives. It is proposed that it would not be appropriate to permit children who come within this category to be designated as Canadians by birth.

A further important change, and one which has received considerable public support, is that which permits women who were British subjects by birth or by naturalization in Canada, and who lost that status by marriage to aliens prior to January 1, 1947, to be admitted to Canadian citizenship by a simple procedure and without regard to the question of residence. We have had many representations on behalf of these women, who, through no fault of their own, became aliens, and are still aliens, although many of them have never resided outside Canada. Under this amendment, their status will be restored with a minimum of delay.

There is also the case of a person born in Canada who, for one reason or another, became naturalized in a foreign country and thus became an alien. Many of these persons have since returned to Canada with the intention of spending the rest of their lives in their native country. It has been represented to us that these native-born persons should not be required to reside five years in Canada and to follow the procedure required of an alien who was not born in Canada, in order to be admitted to Canadian citizenship. It is proposed, by this amendment, to permit persons in this category to apply for citizenship, by a simple procedure, after a residence of one year in Canada.

A new departure in Canadian legislation is the proposed amendment under the terms of which certificates of Canadian citizenship may be granted to adopted or legitimated children if the adopter, or the legally recognized father, is a Canadian citizen.

Some of the countries of the commonwealth, more particularly India and Pakistan, have discarded the term "British subject". Therefore it has been found necessary to amend that part of the existing act which defines the status in Canada of a British subject who has acquired the status of British subject by birth or naturalization under the laws of any country of the commonwealth. The amendment provides for recognition of the term "commonwealth citizen", and, for the purpose of Canadian citizenship laws, gives it the same meaning as "British subject". This change, and the union of Newfoundland with Canada, necessitates several changes in the first schedule of the existing act. Under the amendment, Ireland and Newfoundland have been deleted from the schedule, and Ceylon, India, Pakistan, and Southern Rhodesia have been added.

There has been considerable discussion concerning the status of citizens of Ireland following the establishment of the Irish Republic and its severance from the commonwealth. This matter has been given very serious consideration in view of representations that the citizens of the Irish Republic who are in Canada should not be placed in the category of aliens. Admittedly, it has been difficult to arrive at a formula which would adequately define their status, particularly in view of the fact that Ireland is not a member of the British commonwealth and therefore cannot be included in the first schedule. I think, however, that the solution proposed in this amendment will meet the situation as it will, in effect, give citizens of the Republic of Ireland the same status as that enjoyed by British subjects in Canada.

Part III of the existing act provides for loss of Canadian citizenship. The bill repeals all of part III and substitutes new sections in which most of the former provisions have been retained, with a few exceptions. One of these permits, in the case of a Canadian who deliberately acquires nationality in an enemy country, a discretion that either he

be held to his responsibilities as a Canadian citizen, or that he be deprived of such citizenship.

The other changes in the amendment to part III are of a minor nature, such as discretionary powers for the governor in council and the co-ordination of certain provisions.

There are certain clauses in this bill in which it is intended to make it quite clear that the minister has discretionary power to grant certificates of citizenship. In the existing act, there is a degree of uncertainty as to the extent of these powers, and for that reason these amendments have been included in the bill.

Another change in the existing act is one which provides for the validity and the recognition of certificates of naturalization granted under the Naturalization Act, chapter 77, R.S.C., 1906, or under similar earlier statutes, despite any statutory limitations. Because of these limitations, a person naturalized in Canada under the earlier statutes could not be recognized as a British subject, and did not have the status of a Canadian citizen if he was in the country of his origin and, under the laws of that country, was recognized as a citizen. The amendment will remove this limitation.

There is one other matter which I wish, briefly, to bring to your attention. It concerns clause 19 of the bill, under the terms of which it will be possible to continue, under the provisions of the Citizenship Act, proceedings which were commenced under the Naturalization Act. The reason for this amendment arises from the fact that, some months after the Citizenship Act had been in force, the Department of Justice ruled that proceedings which had been commenced under the Naturalization Act, and which had not been completed before the expiration of that act, could not be continued under the Citizenship Act as the objects were not the same. The application of this ruling has created considerable hardship, particularly among persons who had commenced proceedings in 1946. For these reasons, it is desirable that the act be amended to permit these persons to continue proceedings under the Citizenship Act, as though there had been no interruption.

The remainder of the bill is procedural, covering matters of renumeration and co-ordination. I am satisfied, however, that if this bill is adopted it will result in a definite improvement in, and a distinct clarification of, the Canadian Citizenship Act.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the Canadian Citizenship Act is one of the most important acts on our statute books. I believe the twentieth parliament of Canada had no greater accomplishment to its credit than the enactment of that act in the session of 1946. One recalls that the principle of the measure received the warmest support from all parts of the house, and that it was a major piece of legislation.

There have been in these four intervening years no amendments of any substance, and it is inevitable that after a period of four years some amendments should have become necessary in the operation of the act. Some of the amendments which have been indicated tonight by the minister are obvious in their nature and, I think, do not require elaboration.

One may, however, express a measure of regret that a bill of this kind, which is not a short one, and certainly not unimportant, should have been placed before the house on such short notice. Hon. members are now faced with a bill containing twenty-two sections which amend the act in some important respects. They had this bill placed in their hands just at noon today. All members are very busy at the present time between sittings of the house and sittings of many of the committees of the house which are working very hard writing their reports and bringing their deliberations to a close. I must express regret that an important measure of this kind is brought to us so late in the session, and that the house is asked to take it up on such short notice, which effectively precludes that careful study which a measure of its importance ought to receive. I think it is a measure which might very properly have been referred to the standing committee on external affairs, where its provisions could have been closely examined.

The comments one might feel disposed to make concerning the provisions of the bill may be more properly made in committee of the whole, because they relate to particular sections. It is very difficult to find a principle in a bill like this which one can discuss on second reading, because there are so many amendments which, for the most part, are not related to one another. I think, however, that some very good evidence will be necessary to establish the necessity for the additional ministerial discretion provided in these amendments and the added scope for the regulations, rather than having these matters dealt with by direct enactments of parliament.

There is one thing that perhaps calls for special observation, particularly by those members of this house who have Irish blood in their veins, of whom I am one. I am sure that it would have been a matter of profound regret on the part of hon. members of this house had a decision been made to consider citizens of Ireland as foreigners.

Notwithstanding the fact that the Republic of Ireland has severed ties with the commonwealth I am sure we all welcome the maintenance of brotherly relations with Irishmen, no matter from what part of the lovely green isle they may come.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure that all hon. members of the house welcome the amendments contained in this bill. I join with the hon. member for Eglinton (Mr. Fleming) in regretting that the bill was not introduced earlier and perhaps referred to the external affairs committee where it could have been discussed fully although there may have been little in the bill requiring prolonged consideration. That may be the excuse that would be offered for the minister and the government bringing the bill down at this time.

This bill indicates the development of our common citizenship in the strange agglomeration of peoples called the commonwealth of nations. There are actually three methods of acquiring Canadian citizenship provided for in this bill. First, there is the recognition of the usual type of citizenship which we call British citizenship; then there is the new commonwealth citizenship which would include Pakistan, India and so on, and then we have the typically Irish sort of citizenship which is quite difficult to understand and define.

However, I think we all welcome the solution that has been found. The minister did not indicate that this is on a reciprocal basis. I do hope that citizens of Canada who reside in the southern part of the emerald isle will be regarded as citizens of that country in the same way as citizens of Eire are regarded as citizens of Canada.

I am glad to see that there has been a removal of some of the disabilities that existed. I note with considerable interest the change that is to be made in the status of the old citizenship certificates, to be found particularly on the prairies. In the homesteading days people in order to prove up their homesteads acquired what they thought was Canadian citizenship in the fullest sense of the word. Then it was found that, because of certain imperial statutes, they really would have to acquire new naturalization papers in order to receive all the benefits of our common British citizenship. I am quite sure that throughout the years there are thousands of people on the prairies who through ignorance have been exercising all the functions of citizenship, such as voting at federal elections and the rest, without having the legal right so to do. I am glad that those disabilities are being removed by this bill.

I am glad also that the status of citizenship for women is to be changed and I think that is a commendable feature of the minister's proposals. I suppose that these amendments are made in the light of the experience of the last few years and they certainly are in the right direction. I imagine the entire house, regardless of where hon. members sit, will welcome this measure and I do not think it will require lengthy discussion to get general approval.

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

On section 1—*Alien.*

Mr. Fleming: Paragraph (k) of subsection 2 refers to the Republic of Ireland. The hon. member for Rosetown-Biggar may wish to raise his point on this section. I had previously marked it to ask at this point as to the position of Canadian citizens in Ireland.

Mr. Harris (Grey-Bruce): I feel, as do many other people in this country, that we could hardly do otherwise than we have done and I think the Republic of Ireland will feel that they can not do otherwise than grant to Canadians the same privileges that we are granting here. It has not been done as yet, but I think it will be.

Mr. Coldwell: Have you had discussions on the matter with the officials of the Republic of Ireland?

Mr. Harris (Grey-Bruce): Yes.

Mr. Green: In the first schedule we find listed Australia, Canada, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia, Union of South Africa and the United Kingdom. In which of those countries would the term commonwealth citizen be used as distinguished from British citizen?

Mr. Harris (Grey-Bruce): At the present time the United Kingdom, New Zealand, and Southern Rhodesia have legislation similar to this. In the case of South Africa their legislation is slightly different but is in practically the same terms. In the Asian countries the legislation in some cases has not yet been passed because they were only recently set up, but they have dropped the use of the words "British subject" and are not yet using "commonwealth citizen." It is expected that commonwealth citizenship will be recognized as such in their legislation.

Mr. Green: Would that include India, Pakistan and Ceylon?

Mr. Harris (Grey-Bruce): Those are the three Asian countries.

Mr. Coldwell: Does the South African legislation still retain the term "British subject"?

Mr. Harris (Grey-Bruce): We understand that that is the case up to this moment.

Mr. Green: What about Australia?

Mr. Harris (Grey-Bruce): They have not passed legislation like this.

Mr. Higgins: Will this mean that St. Patrick's day will be officially recognized in Canada next year?

Mr. Knowles: Ask the Prime Minister.

Mr. Green: Why has it become necessary to define alien, which apparently is a new definition in the act?

Mr. Harris (Grey-Bruce): The word "alien" is used in parts of the existing act and is being continued. The inclusion of citizens of the Republic of Ireland in the category of British subjects in Canada makes it desirable that we should define alien by excluding all others not within the group.

Mr. Coldwell: I suppose people from the colonial areas are defined as British subjects? I refer to the West Indies, crown colonies and so on.

Mr. Harris (Grey-Bruce): Yes.

Section agreed to.

On section 2—*Born after commencement of the act.*

Mr. Fleming: In clause 2, subsection 1 of section 5, line 25 of page 2 of the bill, provision is made for registration of births "in accordance with the regulations". Those are the new words. Further reference is made to the regulations in line 27. Will the minister indicate what changes are now proposed in the regulations themselves, and in the scope given to the regulations under the scheme of the act?

Mr. Harris (Grey-Bruce): We found some difficulty with the old regulations in this way. In some places we have not been able to have the consul general do this work. In some places we have no consuls. In other places we have immigration offices, and we would like to extend the provision so that in the appropriate place the most convenient office would be the one in which these births might be registered. The regulations are designed to indicate in what particular office and under what circumstances births of Canadians born abroad will be registered.

Mr. Fleming: Are these regulations promulgated yet?

Mr. Harris (Grey-Bruce): No, Mr. Chairman.

[Mr. Harris (Grey-Bruce).]

Mr. Fleming: Is it proposed to bring them into effect immediately after the adoption of the bill?

Mr. Harris (Grey-Bruce): Right. We will give publicity to them as soon as they are made known.

Mr. Fleming: Is that the only effect of the regulations?

Mr. Harris (Grey-Bruce): That is all.

Section agreed to.

On section 3—*Conditions for retention of Canadian citizenship by persons born outside of Canada.*

Mr. Fulton: With due respect to the hon. gentlemen in the other place, who I understand considered the bill and approved it before it came here, I wish to enter a protest, if that word is not too strong, against the substitution of section 6 of the bill for the old section 6 of the act. On reading the new section 6 one finds that it reads very clumsily because if you will look at 6(1) the operative words read as follows:

> A person who is a Canadian citizen under paragraph (b) of section 4 or under paragraph (b) of subsection 1 of section 5 ceases to be a Canadian citizen upon the expiration of one year after he attains the age of twenty-one years unless, after attaining that age and before the expiration of the said year,
>
> (b) if he, being a national or citizen of a country other than Canada, files in accordance with the regulations . . .

You have the phraseology that a person ceases to be a Canadian citizen "unless if he files in accordance with the regulations".

An hon. Member: Bad grammar.

Mr. Fulton: It is bad grammar, as my hon. friend across the way remarks. Furthermore, if you look at the first three lines of 6(1) you will find you are referred back to two previous clauses to find out exactly what the clause means whereas under the present section 6 the exact meaning and circumstances to which the section has reference are contained in the introductory words of the section. We have objection on two counts, that the exact circumstances to which the section has reference are not clearly set forth in the introductory words of the section, as they were in the old section, and that there is bad and clumsy draftmanship contained in the words, "unless if he files", which is quite meaningless. The explanatory note reveals that no change is made in the substantive law and that the purpose is to shorten the existing section. I submit they shorten it at the expense of clarity. Subsection 2 of the new section 6 merely takes the place of a proviso and makes no change in the substance of the legislation. Therefore, with due respect to the draftsmen who worked on the

bill and to the hon. gentlemen of the other place who considered the bill before it came here, I earnestly submit that the new section is clumsy and lacks clarity. It purports to make no change in the substance of the legislation, and therefore it should be deleted and the original section 6 left in its present form.

Mr. Green: Is the minister not answering the hon. member for Kamloops?

Mr. Harris (Grey-Bruce): Only to say that I do not agree with him.

Mr. Fulton: Do you think that the words "unless if he files in accordance with the regulations" are easy to understand or make sense in accordance with the rules of grammar?

Mr. St. Laurent: It is the same in the preceding one.

Mr. Knowles: You have to take it with the "and".

Mr. Green: There seems to be quite a change in this section from the old one.

Mr. Harris (Grey-Bruce): The hon. member for Kamloops said there was not.

Mr. Green: I do not quite agree with the hon. member for Kamloops. As it was before, a person who was the child of a Canadian, having been born abroad, would lose his Canadian citizenship if he did not, within a year after attaining the age of twenty-one, apply for Canadian citizenship. Then there was a provision that if the country in which he lived permitted him to divest himself of the nationality of that country then he would have to so divest himself. Apparently the provision has been changed now so that this young Canadian must divest himself of the other nationality whether or not the other country provides for such divesting. That is the way I read the section in the bill. I think it is a good thing because the divesting, or declaration of renunciation as it is called, of his United States nationality, let us say, apparently must now be filed with the Canadian authorities whereas before it would have been filed with the United States authorities. Is that the difference in the new section?

Mr. Harris (Grey-Bruce): That is quite right.

Mr. Green: What about subsection 2 of the new section 6? That would seem to go pretty far because such a person can decide to be a United States citizen after attaining the age of twenty-one years, and he can then change his mind again and become a Canadian after fifteen or twenty years more. Why is that provision made? Once he makes his decision why is he given a second chance to change?

Mr. Harris (Grey-Bruce): I do not think the hon. member has quite followed the purpose of subsection 2. Subsection 2 is intended to assist a person who, by the automatic result of subsection 1, loses his Canadian citizenship by not filing a declaration within the year after he reaches twenty-one. That is not to say he may have elected his other citizenship. He simply takes no action whatever. Under subsection 2 the minister may then permit him to make a declaration of resumption of citizenship at a later date than within one year after he reaches twenty-one. If in the meantime, however, he has taken any steps to become a citizen of the other country then of course he would not get the benefit of subsection 2.

Mr. Green: The section does not say so. As I read subsection 2 it really gives such a person more than one year in which to decide that he will be a Canadian citizen.

Mr. Harris (Grey-Bruce): After one year at the discretion of the minister.

Mr. Green: Should there not be some provision in the section so that he will not have this right if he deliberately takes United States citizenship, for example, upon becoming twenty-one years of age?

Mr. Harris (Grey-Bruce): I do not think so. To repeat what I said before, this is designed to cover the person who took no steps to acquire another citizenship. It is only the man who loses his Canadian citizenship by operation of the previous subsection who gets the benefit of subsection 2.

Mr. Coldwell: There is one anomalous situation in regard to citizenship that has been often brought to my attention. A Canadian goes to the United States, signs an application for citizenship and gets what are called the first papers. When he gets those papers he takes an oath in which he declares—I am not going to try to give the exact words, but they are somewhat along these lines—that he renounces allegiance to all foreign princes and potentates, and particularly, in the case of a Canadian, to His Majesty King George VI. In other words he renounces his Canadian citizenship when he makes that declaration; but if he returns to Canada, having renounced our citizenship, he does not lose the right to exercise all the privileges and functions of a Canadian citizen. He is not even required to take out any declaration or oath of allegiance here, or to renew in any form his citizenship in this country.

That always struck me as a very anomalous situation. I remember that on one occasion several years ago the point was raised during a general election. A gentleman who was very active in one of the political parties, it does not matter which, who held office in the organization, was challenged with having taken out his first citizenship papers and having taken this oath; and I believe the matter was referred to Ottawa. The reply was that while he had taken that declaration, under our law he was still regarded as a Canadian citizen. Should not a person who has renounced allegiance to this country, which is really what is meant by renouncing allegiance to His Majesty the King, be required to take a declaration when he resumes his allegiance, or in other words his citizenship in this country? Has that point been considered?

Mr. Harris (Grey-Bruce): I shall give it consideration. Of course at the moment we are governed by section 16 of the act with respect to loss of citizenship, and there it is required that he must acquire the nationality or citizenship of the other country.

Mr. Coldwell: He does not acquire it until he has taken out the final papers.

Mr. Harris (Grey-Bruce): That is right.

Mr. Coldwell: But he has renounced his allegiance to His Majesty King George VI. In other words by his own oath he has ceased to be a subject of the king or a citizen of Canada.

Mr. Harris (Grey-Bruce): I shall give the matter consideration.

Mr. Cannon: I agree with the principle of section 6, but in connection with the remark I made a few moments ago I would ask the minister if he does not think that replacing the word "if" by the word "unless" at the beginning of paragraph (d) would improve the draftsmanship of the section.

Mr. Harris (Grey-Bruce): I do not think we should introduce the word "unless" any oftener in this section. If we allowed it to stand for a moment we might consider whether we could eliminate the words "if he" at the beginning of paragraph (b) and insert the word "he" after the word "Canada" so the paragraph would read:

(b) being a national or citizen of a country other than Canada, he files in accordance with . . ."

Some hon. Members: That is better.

Mr. Chevrier: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Section 4 agreed to.

On section 5—*Grant of a certificate of citizenship.*

Mr. Fleming: This is the first of a number of sections introducing the phrase "in his discretion" as applied to the powers of the minister. I do not wish to risk your displeasure, Mr. Chairman, by wandering too far from this section, but it may be that the minister will have an explanation relating to all the places where this new provision appears in the bill. May I draw attention to the fact that it appears in section 5, page 4, line 25; on page 5, in line 12 with respect to the power to grant certificates to British subjects and again in lines 25 and 45; on page 6, line 23 and line 48; on page 8, line 1; on page 9, lines 15 and 37; on page 10, line 42; on page 11, line 34, and there may be other places. Is there some statement the minister can make which would relate to all these, seeing that the phrase appears so frequently?

Mr. Harris (Grey-Bruce): As I indicated in my statement on the motion for second reading, there has been some doubt as to the authority of the minister to exercise his discretion under the existing act, as to whether he may or may not grant a certificate under certain conditions. In order to remove all possible doubt as to the discretion of the minister we are inserting those words in the sections which have been cited by the hon. member for Eglinton.

The position is simply this. At the moment applicants for citizenship go before county judges for examination. In certain cases it is not possible to produce in the ordinary way evidence which may be available to indicate that a person is not fit for Canadian citizenship. Under those circumstances it is felt that the minister is the person who should accept responsibility for refusing citizenship, and that is the reason for the insertion of these words. I must say that in the four or five months I have had to do with this act there have been occasions on which I have felt that persons should not receive Canadian citizenship. Having in mind the responsibility we owe to parliament and to the Canadian people, it was felt proper that someone in the government should accept responsibility for refusing certificates to certain persons who may apply.

Mr. Coldwell: Is the discretion ever used the other way, to grant citizenship when the county court judge finds that all the qualifications have not been fulfilled, as for example in the use of one of the two languages? Is discretion ever used to grant a certificate to a Chinese, for example, who has been resident

in Canada for many years, who has been unable to acquire the language yet possesses all the other qualifications for citizenship?

Mr. Harris (Grey-Bruce): I believe the practice has been for the minister to return the application to the judge for reconsideration, as the act now requires. Because of the uncertainty that has existed up to the moment I personally have not granted certificates under those conditions, preferring to send them back for rehearing.*

Mr. Coldwell: But you could do so?

Mr. Harris (Grey-Bruce): Yes.

Mr. Fleming: In the case to which the minister referred, where he felt citizenship should not be granted, I take it the applicant had appeared before a county or district court judge and satisfied him as to his fitness to receive citizenship? The minister nods his head. I had an experience in the house not long ago, when I asked a question which was answered by a nod of the head, but the nod did not appear in *Hansard*. Would the minister mind replying to the question?

Mr. Harris (Grey-Bruce): What was the question?

Mr. Fleming: It was the question to which the minister nodded his head.

Mr. Harris (Grey-Bruce): All right; the answer is yes.

Mr. Fleming: Then I ask the minister what was the nature of those cases, because while many of the county court judges in the larger cities have to deal with large numbers of applicants, one would not like to think that great care is not being taken by the judges who have jurisdiction in this matter. We must ever attach greater rather than less significance to citizenship, and so much depends, in the administration of this act, upon how the county court judges exercise their functions under the act when applicants for citizenship appear before them. Would the minister indicate the nature of those cases in which he felt it necessary, even in the face of the favourable recommendation from the county court judge, to refuse citizenship?

Mr. Harris (Grey-Bruce): Mr. Chairman, the situation is not quite that. Some judges felt that the present act, the one under which we have been acting, does impose upon the minister the final responsibility for granting certificate. They have discharged their duties by merely reporting to the minister the examination held on the various qualifications under the act, that is that the applicant has resided in Canada so long; intended to reside permanently in Canada; had some qualifications in language, and had some general understanding of our institutions, leaving to the minister what the judge considered was in fact the minister's decision to make. The recommendations in themselves are really not recommendations but are reports of, perhaps for lack of a better term, courts of inquiry. That is one group with which we have had to deal, in which the judge does not make what he considers a final recommendation.

The other group concerns those persons who, because of their past activities or perhaps their present activities, having in mind the discussion which took place in this house this afternoon, are not considered to be persons to whom we should extend the advantages and privileges of citizenship. In some courts in the country evidence of that nature is difficult to produce, because in doing so one might easily disclose the information not only on which it is proposed to deal with that particular application but other information which would affect others as well. Under those conditions, in some cases we have felt that we could not do other than deal with it through the minister rather than through the county judge.

Mr. Fleming: May I ask the minister, in view of the latter part of his answer, if it is a correct inference that some attempt is made to review those applications even after they have come from the county court judge, before the certificate is granted, having regard to security reasons?

Mr. Harris (Grey-Bruce): Right.

Mr. Fleming: In all cases?

Mr. Harris (Grey-Bruce): That is the intention here, yes.

Mr. Macdonnell (Greenwood): May I ask the minister, does that mean then that the real effect of section 5 of the bill is that there is no absolute right on the part of the applicant? The minister said that some judges regarded themselves as merely making a sort of preliminary finding of fact, the final decision being left to the minister. Does the minister intend to indicate that view is being approved, that is the judges now are merely to conduct a sort of preliminary survey? I wish the minister would make that clear to me. Actually, what is going to be the effect of this section on the minds of the judges? Is it going to clarify their position or are they still, in certain cases, going to take that attitude? Is it a matter that is left to the discretion of the judges?

Mr. Harris (Grey-Bruce): Mr. Chairman, the attitude of the judges has varied a good deal on it, as I tried to point out.

Mr. Macdonnell (Greenwood): That is what surprised me.

**See also page 4049.*

Mr. Harris (Grey-Bruce): That is not to say that the judges have not been giving their best attention to those cases. It is for the very reason that some judges have felt that the present act still does rest with the minister the decision whether a certificate should be granted. They have discharged their duties in the light of that. They feel they are discharging them as the act intends them to do, by sending in a report on the nature of the hearing that has been held and the specific answers to the four or five qualifications I have mentioned. I would hope that in the next few months we can have more uniformity in those hearings by the judges. That is not a criticism whatever; it is merely because of a misunderstanding in the minds of many of them as to the intention of the act, a misunderstanding which is shared by others than judges.

We hope that parliament will, by passing this amendment, provide the discretion in the minister, but at the same time we will seek to have the judges apply the act in a uniform way so that recommendations will come forward as they formerly have under the act, together with any opinions they care to express.

Mr. Fleming: Where the minister proposes to exercise this discretion, what assurance will he give the house that some attempt will be made to exercise the discretion judicially and not arbitrarily. Where people believe they are legitimately entitled to citizenship, and believe they have fulfilled the requirements of the act will some opportunity be provided for a hearing of their cases?

Mr. Harris (Grey-Bruce): By another section there is a provision for a rehearing at the end of two years.

Mr. Fleming: At the end of two years, but that may be a long time to wait. If the minister, in a case of this kind, exercises his discretion to reject the application it seems to me two years is quite a long time to wait. Parliament is giving the minister a new discretion. No one is infallible. I think that where discretion is being conferred on the minister or an official, some attempt should be made to see that the discretion will be exercised in a judicial sense, and a hearing will not be denied where there are reasonable grounds for asking for it.

Mr. Harris (Grey-Bruce): Yes, Mr. Chairman, I want to assure the hon. member that when this act was passed in 1946, along with him and I think almost everyone in this house, I heard the argument—in fact I think he made the argument—that this discretion should not be vested in the minister. I must say that argument appealed to me at the time and still does. Nevertheless I must confess that since I have been in this office I regret to say that I find persons applying for citizenship under our present system, and perhaps getting it, who, in view of the present circumstances, should not have those privileges. I feel that the minister should take the responsibility of refusing those applicants.

[Mr. Macdonnell (Greenwood).]

In so far as the practice in dealing with those applications is concerned, I can assure the hon. member that every facility will be given to those refused, and there will be no unreasonable disposal of any case.

Mr. Knowles: May I ask the minister a question with respect to that part of this section which is over on page 5. It has the marginal note:

Grant to women who lost status of British subject through marriage.

I believe this is the part of the section to which the minister referred in his remarks on second reading. My question is, do the provisions of this section take care of all cases of Canadian women who married aliens prior to the passing of the citizenship act?

Mr. Harris (Grey-Bruce): In so far as we have been able to draft the section, the answer is yes. We would hope if we find a case which is not covered that we will be able to amend it quickly.

Mr. Knowles: In other words, that is its clear intention?

Mr. Harris (Grey-Bruce): Yes.

Mr. Knowles: What is the case with respect to Canadian women who since the passing of the Canadian Citizenship Act married aliens, and who later wished to become Canadians again?

Mr. Harris (Grey-Bruce): Mr. Chairman, the existing act permits them to retain their citizenship, and that has been covered since January 1, 1947.

Mr. Knowles: Is there any difference now, depending upon the nationality of the husband that the woman married?

Mr. Harris (Grey-Bruce): No, nothing depends upon that now for a person who has been married after the commencement of this act.

Mr. Knowles: That was the case prior to that, and that is one of the points being corrected.

Mr. Harris (Grey-Bruce): That is the point.

Mr. Rooney: Can the minister give me an answer to the question I asked a week or so ago in reference to those girls who were married and who were affected previously to the passing of the act of 1946?

Mr. Harris (Grey-Bruce): The hon. member for St. Paul's was particularly concerned with respect to Canadian girls who married during the late war, and more especially as there were a great many Norwegian airmen and other soldiers in Toronto, perhaps the Toronto girls married Norwegian soldiers. The answer is that this section will give these girls an opportunity, on application to the minister, to become Canadian citizens.

Mr. Higgins: I have a couple of matters that I should like to discuss with the minister for a short time. There are problems that arise out of the union of Newfoundland with Canada, and particularly in regard to the former act known as the naturalization of aliens act of that province. Under that act a number of Chinese citizens of Newfoundland made application for naturalization as far back as 1947. As a matter of fact, I believe there is a member of the minister's staff in this section who at that time was a member of the department we knew as the department of home affairs, and who is able to verify that a number of applications were made at that time.

These applications were completed in the ordinary form, and I submit to the minister they should be recognized as regular applications. What has happened at the present time is this. All these bona fide applications have been disregarded, and these Chinese people have been told that they have to make new applications, a most unfortunate situation. I submit to the minister that he should take these applications into consideration, and not demand that new applications be made.

That is one point. The other one is this. By order in council passed I believe some time last fall it was agreed that all Chinese who had gone to Hong Kong by December 19, and who had relatives in Canada who had made application for citizenship prior to that time, would be permitted to bring the children or wives who were in Hong Kong at that time. Through circumstances over which these people had no control they were one, two or maybe three weeks late, some of them, in fact, only a couple of days. I would ask the minister in these cases, and under the particular section where he has discretion, and where he knows of the bona fides of these applications, to deal with them in the manner that they should be dealt with, bearing in mind that the communists are now controlling China, and that the people over there are undergoing great hardship.

Mr. Harris (Grey-Bruce): I am not familiar with the details of the particular applications under the old Newfoundland act, but I would be glad to look into that and I can assure the hon. member that in my dual capacity of Minister of Citizenship and Immigration we may be able to give sympathetic consideration to it.

Mr. Higgins: Which will be appreciated.

Some hon. Members: Carried.

Mr. Herridge: We object to these parrot calls of "carried" when discussing an important bill like this, and when a great deal of time is not being consumed.

I want to ask the minister a question. I think the answer affects him as Minister of Citizenship and Immigration and also as minister of Indian affairs. How is this provision of the act going to affect the wife of an Indian who is subject to limitation? If these amendments carry, can the wife of an Indian make application to become a Canadian citizen, and then as the wife of an Indian enjoy full Canadian citizenship rights?

Mr. Harris (Grey-Bruce): I am not sure that I follow the hon. member. If he means that Indians are not Canadian citizens, then I must say that I do not agree with him, and I cannot follow the rest of his question.

Mr. Coldwell: Let me put it this way. The wife of an Indian, though, we will say, she is a Canadian citizen in every other respect, has certain limitations placed upon her.

Mr. Harris (Grey-Bruce): Such as?

Mr. Coldwell: I am not suggesting that it is a good thing for a woman to be given the opportunity to go into a beer parlour, for example, but if a white Canadian girl is the wife of an Indian and wishes to go into a beer parlour she is an Indian under the law. There may be other limitations of which I do not know, but that one certainly does arise in one's mind. I am not anxious to see the wife of an Indian go into a beer parlour, I may say, but I am just raising the point because it is a very interesting one.

Mr. Harris (Grey-Bruce): I agree it is interesting and that we probably could have discussed it on the bill that we allowed to stand today.

Mr. Coldwell: The minister does not answer the question, though. As minister of Indian affairs and of citizenship and immigration can he answer the question in one of these capacities? That is the point.

Mr. Harris (Grey-Bruce): Had I been asked to answer the question on the bill that we stood over today my answer would have been different from what it is going to be now. The wife of an Indian becomes an Indian

according to the Indian Act, and she thereby becomes subject to certain limitations that act places upon Indians. Those limitations do not in any way deprive her of citizenship as such; they are merely restrictions because of the fact that she lives on a reserve and is the wife of an Indian who comes within that section. That is the status, and I do not think there is any way of altering it except to alter the Indian Act.

Mr. Green: Subsection 4 of the new section 10 is apparently a new provision. It is described as:

> Grant to persons who lost status of Canadian citizen or British subject for reasons other than marriage.

Can the minister explain the reason for bringing in a provision of that kind? What were the reasons other than marriage which caused these people to lose citizenship?

Mr. Harris (Grey-Bruce): This may apply probably largely to Canadians who became United States citizens. Quite a few Canadians have gone to the United States, taken out citizenship and lived there for a number of years; but toward the end of their lives they tend to come back to Canada and seek to settle down where they were born or where they were brought up. These people have consistently felt that they should not be required to go through the five-year period of residence in order to regain their citizenship. Of course there are others as well as citizens who were naturalized in the United States, but it is intended to make the period one year's residence in Canada again, and after that we may give them a certificate of Canadian citizenship.

Mr. Green: One other question under section 10, which I believe is the key section of the citizenship act. We have had suggestions from the Canadian Clubs that there should be some more uniform method of welcoming new Canadians upon the completion of the procedure for obtaining citizenship. Can the minister tell us whether his department is taking any steps in that direction? I think the suggestions are very much worth while, and I would hope that the department might give some lead toward working out a good way of welcoming these new citizens.

Mr. Harris (Grey-Bruce): The Canadian clubs have recommended a greater uniformity in the proceedings and in the ceremonies with respect to acquiring Canadian citizenship. As the hon. member knows, the educational classes leading up to citizenship are under the control and authority of the provincial governments. Through the citizenship branch we do contribute, as I have already explained on the estimates, to that work. In the proceedings before the county judges for the granting of citizenship of course each judge is in charge of his own court and may make of these proceedings what he wishes. However I think the Canadian Club has in mind some uniformity, with appropriate ceremonies at the end particularly. They have appealed to the department and, subject of course to the respective spheres of influence, we would hope we could work out a program which would be generally acceptable throughout Canada; and we are in fact corresponding for that purpose.

Mr. Green: The idea would be for the department to work out a program and then recommend it to the various naturalization courts.

Mr. Harris (Grey-Bruce): In the hope that they would accept it.

Mr. Green: In Vancouver the Canadian Clubs have done a great deal to make these proceedings very impressive.

Mr. Harris (Grey-Bruce): That is right.

Mr. Green: And I would hope that the minister might work out some uniform system.

Mr. Gibson: As a matter of policy, I am sure the minister is in accord with that suggestion of the Canadian Club, is he not?

Mr. Harris (Grey-Bruce): Yes, subject only to this, that I do not want to have anything too uniform. I like a certain amount of variety in these things. Persons who took a real interest would probably want to do more than the minimum. However, I am in agreement that there should be some general program which would be acceptable to all.

Section agreed to.

Sections 6 and 7 agreed to.

On section 8—*Part III, Loss of Canadian citizenship.*

Mr. Green: The new section 8 provides for several new sections in the act, dealing with the loss of Canadian citizenship. I am interested particularly in the new section 15(2), the side-note of which states, "Where country at war with Canada". Then in the explanatory note we find these words:

> Subclause (2) is new and permits, in the case of a Canadian who deliberately acquires nationality in an enemy country, a discretion that either he be held to his responsibilities as a Canadian citizen or that he be deprived of such citizenship.

Would this provision cover the case of a Japanese born in Canada but who served in the Japanese forces? There has been quite a concerted drive to get these young men back to Canada, now that the war is over, and I would hope that this provision is wide enough to prevent that. I do not see why a man who served in enemy forces and who may have been responsible for killing our own men should be permitted now to come back to Canada as though nothing had happened.

I am afraid this section does not go far enough to meet that situation. If I am correct in my interpretation, then I suggest that it should be worded to include the recent war. If this means only that in future wars such provision will apply, it is not enough. We all hope it will never be so used, because we hope there never will be another war. But if it does not apply to the recent war, then I suggest to the minister that some amendment should be worked out which would make it applicable to the last war.

Mr. Harris (Grey-Bruce): Mr. Chairman, it is not retroactive and does not apply to those who served against us in the last war. So that while it would apply in the future, it does not apply to those persons of Japanese origin who were born in this country, who were absent prior to the war in 1941, and who served against us.

Mr. Green: Then I suggest that the minister give some thought to including some words in subsection (2) such as "including the recent war". I believe the problem could be met by inserting some words to that effect. After all, our citizenship is of great value. Each one of us should place the highest value on Canadian citizenship. Yet if the law is to be that people, simply because they were born in Canada, can go away, fight against us in a war, and then after the war is over come back here, pick up their citizenship and carry on as if nothing had happened, then I think we are not placing a very high value on Canadian citizenship.

This is a problem which should be faced. As I said before I believe there is a determined attempt to get these young men back to Canada, on the ground that they were born in Canada. I would ask that the minister have this new section 15 stand until he can give some consideration to the problem I have raised.

Mr. Harris (Grey-Bruce): Very well.

The Deputy Chairman: New clause 15 will stand.

Mr. Coldwell: It seems to me that this is a place where the minister might consider the suggestion I made earlier, respecting one who makes a declaration renouncing allegiance to our common crown—"by any voluntary and formal act other than marriage, acquires the nationality or citizenship of a country other than Canada, thereupon ceased to be a Canadian citizen." I will not suggest that that should be the wording, but I think the minister should consider it.

Mr. Harris (Grey-Bruce): I will consider it.

The Deputy Chairman: Section 8 stands.

On section 9—

Mr. Fraser: I would refer to section 18(c). I have in mind a veteran of the first great war who is at present in the southern United States, and has had to be there for some few years. Is there any way he can retain his citizenship? I do not think he could stand the journey back, but he would like to retain it. This man is on pension from the Canadian government.

Mr. Harris (Grey-Bruce): Is the gentleman a natural-born Canadian?

Mr. Fraser: Yes.

Mr. Harris (Grey-Bruce): This section does not apply, then.

Mr. Fraser: But his wife is not. How would it apply to her?

Mr. Harris (Grey-Bruce): Is she a naturalized Canadian?

Mr. Fraser: Yes.

Mr. Harris (Grey-Bruce): She is covered by subparagraph (e).

Section 9 agreed to.

On section 10—*Citizen of country in schedule has British subject status in Canada.*

Mr. Browne (St. John's West): I think the hon. member for Rosetown-Biggar asked a question earlier this evening about the status of those people living in the West Indies or Hong Kong at the present time. By this section we see that section 28 is repealed, and section 23 applies only to those countries mentioned in the first schedule, and not to the other colonies.

Mr. Harris (Grey-Bruce): The British West Indies are crown colonies and are covered by the definition of "United Kingdom".

Section agreed to.

Sections 11 to 21 inclusive agreed to.

On section 22—*Coming into force.*

Mr. Fleming: Would the minister care to indicate when it is proposed to bring the act into effect by proclamation?

Mr. Harris (Grey-Bruce): Mr. Chairman, if the regulations are available shortly we will bring it into effect as soon as we can. We think the regulations should be available in those places where they are likely to be used, particularly abroad. However, so far as we are concerned, I should imagine it would not be more than a few days.

Section agreed to.

The Deputy Chairman: Then we will revert to section 8.

Mr. Harris (Grey-Bruce): I move that the committee rise, report progress and ask leave to sit again this day, and that section 8 stand in the meantime.

Progress reported.

CANADA SHIPPING ACT

AMENDMENTS TO RATIFY INTERNATIONAL CONVENTION FOR SAFETY OF LIFE AT SEA

Hon. Lionel Chevrier (Minister of Transport) moved that the house go into committee to consider Bill No. 303, to amend the Canada Shipping Act, 1934.

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

On section 1—*British ship.*

The Deputy Chairman: I might point out that this bill has been studied carefully by the standing committee on railways, canals and telegraph lines and has been reported with amendments.

Mr. Langlois (Gaspe): Mr. Chairman, I should like first to deal with certain aspects of section 1 which defines British ship in the following terms:

"British ship" includes a Canadian ship.

I do not quite understand that definition and I am not quite certain why it is included in the section. A British ship is not otherwise defined in the act. We certainly are not extending the definition of British ship as contained in the British merchant shipping act because that could not be done by Canadian legislation. However, I am prepared to admit that such a definition may be needed here and I am anxious to hear why. If it is considered necessary, I suggest that we have in this section a wording similar to that in section 26 of the Canadian Citizenship Act which reads:

A Canadian citizen is a British subject.

The definition here should then read:

A Canadian ship is a British ship.

I make that suggestion at this stage and I hope it will receive the consideration of the committee. This section also defines Canadian ship and I am pleased to see this amendment being made in the Canada Shipping Act. This definition reads in part:

"Canadian ship" means a ship registered in Canada—

In all modesty I say that I am particularly pleased with this amendment because I believe I was the first member of this house to request some three or four years ago that this change be made. I also suggested this change on other occasions both inside and outside this house. In order to implement this new definition of a Canadian ship the bill amends the act further by repealing subsection 1 of section 3 of the act and substituting a completely new clause therefor. I shall not discuss that amendment at this stage but will reserve my comments until the appropriate moment.

I make that comment to stress my contention that the clause presently under consideration should contain an additional subsection which probably would appear immediately following subsection 16 and which would amend the definition of registrar as presently defined in the act. The definition of registrar is to be found in section 2, subsection 81 which reads: "Registrar means registrar of British ships." There should be a further amendment to this section to bring it in line with the amendments we are making and to make it read: Registrar means a registrar of Canadian ships. I ask that consideration be given to that suggestion.

This section also amends the definition of foreign ships, the amendment reading:

"Foreign ship" means a ship other than a British ship.

Here again I must confess that I fail to see any reason for this new definition. If the definition is meant to serve a particular purpose, that purpose should be stated clearly. If possible, it should be restricted to the object we have in mind. I expect some clarification of this point from the minister and ask that due consideration be given to the comments I have made in this respect. Those are all the remarks of a special nature that I wish to make in connection with this section.

I should like to deal now generally with the implications of the amendments contained in this section and the sections immediately following. As I said a while ago, the definition of Canadian ship is provided for in this bill and I consider that a step in the right direction. But I regret that our Canadian ships are not being protected against foreign competition in our coastal trade. This is of great concern to our shipping and shipbuilding industry. The fact is that our ships are discriminated against in certain ways to the advantage of ships of

other nations which are engaged in the Canadian coastal trade. Let us review for a moment the present position of Canadian ships so far as Canada's coasting trade is concerned. At the present time our coasting trade is governed by part XIII of the Canada Shipping Act comprising sections 661 to 665 inclusive. Section 663 reads:

663. (1) No goods shall be transported by water or by land and water, from one place in Canada to another place in Canada, either directly or by way of a foreign port, or for any part of the transportation in any ship other than a British ship.

A similar provision has been made with respect to the transportation of passengers, and penalties are provided for the contravention of these provisions. It is further provided that no foreign-built British ship, regardless of where she is registered, is entitled to engage in the coasting trade of Canada without a licence obtained from the Minister of National Revenue. Exception is made, however, with respect to certain foreign-built vessels which were condemned as prizes of war, or ceded by enemy states to Great Britain or British nationals by the reparations commission during or after the 1914-1918 war. Similar provisions were made with respect to reparation vessels ceded to Canada after the last war.

In order for foreign-built British vessels to obtain a licence from the Minister of National Revenue it is necessary that a duty be paid of 25 per cent ad valorem on the fair market value of hull, machinery, furniture and appurtenances of such vessels. Section 665 provides that exceptions may be made to the foregoing by the governor in council. It is the custom of the Department of National Revenue to issue coasting licences to British ships, other than those which are foreign built, upon submission to that department of proof that the ships are entitled to operate in the coasting trade of Canada, and upon execution by the master and two others, usually officers of the company operating the vessel, of a coasting bond in the amount of $500 in accordance with form D-11.

The requirements to be fulfilled to obtain a coasting licence, in addition to the filing of the said bond, are as follows:

(1) Establishing that the ship was British built, that is, built in some part of the British commonwealth of nations, or that it comes within the description of the special exceptions referred to above.

(2) Production of a certificate of British registry to establish that she is a British ship, that is, registered in some part of the British commonwealth and wholly owned by British subjects.

(3) That her officers are properly certificated with British certificates of competency.

A coasting licence is not always required in order to operate in the coasting trade of Canada, but it is a convenience in order that the various requirements will not have to be established to the satisfaction of the collector of customs in each port from which the vessel may clear. The coasting bond requires compliance with the "coasting regulations of this dominion" but no such regulations have ever been issued to my knowledge.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member. The bill is a very voluminous one. I do not know whether or not it deals with the coasting trade but it seems to me that if the hon. member wished to discuss that subject he should have done so when the principle of the bill was under consideration on second reading. We are on section 1 of the bill, and certain latitude is usually given, but the principle of the bill has been decided upon and accepted by the house. The hon. member should make his remarks as relevant as possible to the section under consideration and not deal with the coastal trade if that matter is not contained in the bill.

Mr. Langlois (Gaspe): Mr. Chairman, speaking to the point of order, all the remarks I am making now are opening remarks which are necessary in order to discuss and, to my mind, intelligently understand what section 1 does when it defines a Canadian ship. We are creating by this definition a "Canadian ship" and before we accept it we should be clear in our own minds what we are doing, what such a ship is intended for and if it has a chance of survival. That is exactly what I am discussing. I shall try to be as brief as possible, but I respectfully submit that these comments are preliminary remarks that are essential to a discussion of this clause.

Mr. Chevrier: Mr. Chairman, I do not want to interrupt the hon. member as long as he deals with the distinction to be made between a Canadian ship and a British ship because it is in order for him to do that. He has been discussing coastal trade, however, and that is dealt with in section 661 of part XIII of the Canada Shipping Act. There is no amendment in the bill having to do with coastal trade. I think the chairman is quite right in saying that any discussion of that nature should have taken place when we were discussing the principle of the bill on second reading. There is no question of coastal trade involved in these amendments at all. I hope my hon. friend can deal with section 1 of the bill.

Mr. Langlois (Gaspe): Mr. Chairman, I have no objection to making three speeches if necessary. I could separate my speech into three parts so that they would apply directly to clauses under study, but I think I am saving the time of the committee by dealing with them together at this stage. Then I will not have to come back to the same subject later on. I think the definition of "Canadian ship" has a definite bearing on the coastal trade and also the definition of "British ship". It is of great moment when we are considering the coastal trade of Canada. As I said a while ago, these are merely preliminary remarks, I shall be through with them in a few moments and then I will deal with the clause under consideration.

If I may be permitted to carry on, Mr. Chairman, in addition it is provided in section 65 of the Customs Act that equipment purchased or supplied or repairs made in a foreign country upon a vessel intended to be employed, or which is later employed, in the coasting trade of Canada, are dutiable if the vessel arrives in Canada within one year of the time such equipment is purchased or such repairs are carried out. The duty with respect to such repairs is 25 per cent ad valorem of the expenses of the repairs, and with respect to equipment it is the same duty as would be charged if such equipment had been imported into Canada in the ordinary course. The words "foreign country" mean any country other than Canada, whether or not such other country is within the British commonwealth of nations. This is my own interpretation, but I have been informed that this interpretation is not accepted by the Department of National Revenue. In the opinion of the department the expression "foreign country" does not include the countries of the British commonwealth of nations. It appears there is no legal basis for such an interpretation, but merely the practice of the department. It is my submission that the expression "foreign country" should include the other countries of the commonwealth, and steps should be taken to bring this about, either by changing the departmental practice in this regard or by defining the expression so there would be no possibility of misinterpretation.

With respect to the meaning of the words "foreign country" as used in the Customs Act, I refer the committee to the case of Cashin *v.* The King, 35, 4 D.L.R., 547, and particularly the following comment of Judge Angers at page 555:

> I think that, for customs purposes, a vessel which is not registered in a Canadian port, even though a British vessel, must be considered a foreign vessel.

I cannot emphasize too strongly the importance of the interpretation of this expression, not only to Canadian ship owners who are

menaced by competition from British vessels, but also to Canadian shipyards and suppliers who would normally carry out the repairs and supply the equipment to vessels operating in the coastal trade of Canada. Indeed, to my mind it would be ridiculous that a Canadian or British ship owner could have his ship repaired in Great Britain or elsewhere within the British commonwealth and come to Canada to engage in the coastal trade without paying any duty on such repairs, though the ship might have all kinds of equipment obtained at lower cost in Great Britain or elsewhere in the commonwealth, whereas if that ship were repaired and equipped in Canadian yards with Canadian labour, using parts, equipment or machinery which had to be imported into Canada from those countries of the commonwealth, such machinery and equipment would be subject to the duty as set out in the tariff; if on the other hand the expression "foreign country" were construed as excluding the other nations of the commonwealth, this would be the logical result.

Similarly, Mr. Chairman, section 66 of the Customs Act provides that surplus stores of vessels arriving in Canada shall be subject to the same duties and regulations as if imported as merchandise. However, if the owner or master desires to put these stores in warehouse for future use on his vessel, the collector may permit him to do so. At the present time not only British vessels registered in Canada but all British vessels, no matter where they are registered or how they are manned, are given the same opportunity to participate in the coasting trade of Canada, with the proviso that if such vessels, whether registered in Canada or in any other part of the British commonwealth, are not British built, they must first obtain a licence from the Minister of National Revenue, upon payment of duty of 25 per cent.

If vessels registered in Canada could compete economically with vessels registered in Great Britain or other parts of the commonwealth, it might be argued that no restriction should be placed on British ships, which are not registered in Canada, operating in the coasting trade of this country, though even under those conditions many countries afford protection to their own vessels in their coastal trade in much the same way that air line companies of one country are seldom if ever permitted to carry passengers or air cargo from one place to another in a foreign country. However, the situation with respect to coastal shipping is even more serious than this. The costs of operating vessels registered in Canada, with Canadian

wages and under Canadian working conditions, and with repairs and overhauls carried out in Canadian shipyards and with Canadian labour, are substantially higher than the costs of operating vessels registered in other parts of the commonwealth, and in particular in Britain. The Canadian maritime commission has given a great deal of study to these comparative costs, and I do not feel it necessary to go into further details concerning this condition.

The competitive advantage of vessels registered in the United Kingdom and other parts of the commonwealth has been further accentuated by the devaluation of sterling and allied currencies within the last year. From the point of view of Canada this problem has been aggravated through the union of Newfoundland and Canada. The trade between Newfoundland and the remainder of Canada, which heretofore has been serviced by vessels registered in Canada, is now menaced by the incursion of British vessels registered in the United Kingdom. It is obvious that if British vessels are permitted to operate in the Canadian coasting trade they will be able to drive out any competition from vessels registered in Canada, since they can be profitably operated on revenues which would not cover the operating expenses of a vessel registered in Canada.

An example of such competition was brought to my attention quite recently, when a Canadian company chartering British-registered ships decided to operate in the Newfoundland trade and sent out a circular letter to prospective clients which in part read:

> We are not quite ready to quote any rates, but rest assured that they will be lower than any competing services.

I had a further example of this quite recently also when I was informed that tenders had been called to carry iron ore from Havre St. Pierre to Sorel, and that the rates quoted by the owners of British-registered ships were as much as fifty per cent lower than those quoted by Canadian-operated and Canadian-owned ships.

Canada has faced a great problem in connection with her deep sea shipping, and government policy in this regard was announced by the Prime Minister in a statement in the House of Commons on December 9, 1949. Only a small portion of the present Canadian deep sea fleet will be maintained in operation during the coming year, and a subsidy of $3 million is being provided for this purpose, as it is recognized that without this assistance Canadian vessels could not compete successfully and continue to engage in international trade. Arrangements have been made for the remainder of the deep sea vessels to be transferred to registry in the United Kingdom, and operated under conditions prevailing there. It is obvious that unless Canadian shipping, that is ships registered in Canada and operated under Canadian conditions, are given protection against competition from vessels of other nations, including vessels registered in the United Kingdom and other ports of the commonwealth, such Canadian vessels will be in the same position in the coasting trade of Canada as other Canadian vessels now find themselves in the international or deep sea trade. Ships registered in Canada may find themselves competing—I ask the committee to pay attention to this sentence—with ships now being transferred from Canadian to British registry. It is also feared that competition may be expected from ocean-going British vessels picking up cargoes in the maritimes when proceeding inbound in ballast or with a partial cargo bound for Quebec and Montreal, and often at what might be termed "sacrifice rates". With the development which is expected to take place within the next three years on the north shore of the gulf of St. Lawrence, as well as the development of the St. Lawrence seaway, further opportunities for competition from vessels registered in the United Kingdom and other parts of the commonwealth may be anticipated.

If Canada is to retain any merchant fleet and any body of men capable of maintaining these vessels in time of emergency, it is necessary that protection be given to the operation of vessels registered in Canada in its coasting trade, particularly in view of the decline of Canada's deep sea fleet. It is not only the vessels which are maintained in operation in the coastal trade or even the trained men who man them and who would form a nucleus for expansion in time of emergency who have to be considered, but also the shipyard workers whose services are required in repairing and maintaining these vessels in good condition. It is my submission that it is necessary to take action immediately to protect Canadian vessels and Canadian operators from competition which they will otherwise be unable to meet.

The British commonwealth merchant shipping agreement, which was entered into between the governments of the various parts of the British commonwealth, does not permit immediate restriction of the coastal trade of Canada to vessels registered in Canada or to our newly-born "Canadian ship." One year's notice is necessary in order to change any of the provisions of this agreement. This agreement, and particularly the provisions relating to the right of vessels registered in any part

of the commonwealth to operate in the coasting trade of any other part on the same terms as ships registered in such part, are entirely favourable to the United Kingdom and possibly to some of the parts of the commonwealth, and are and have been of no benefit to Canada. On the contrary, for the reasons submitted before, they are a serious detriment to Canada. It is recognized that vessels registered in Canada could never compete with vessels registered in the United Kingdom in the coasting trade of Great Britain. It is noteworthy also that the United Kingdom permits not only British vessels registered in other parts of the commonwealth but also foreign vessels to operate in its coasting trade. I understand, however, that the British government has been seriously concerned of late by competition British vessels receive in the coasting trade from Norwegian and other foreign vessels, and is considering restricting its coasting trade, although probably such restriction will be merely to British ships. This is true notwithstanding the fact that British operating costs can be favourably compared to Norwegian costs.

It is realized that there will be certain vessels registered in Great Britain which are now and have been for some years operating in Canada's coastal trade, and that it might be inadvisable to prevent such vessels from continuing to engage in our coasting trade without adequate warning. Exceptions to the policy I am recommending might be made for limited periods with respect to these vessels, particularly if it is found that there are no other vessels registered in Canada which are in a position to carry out the service being performed by such British vessels.

In order to solve this urgent problem, there are two steps which this parliament might take. The first is that notice be given to the signatories of the British commonwealth merchant shipping agreement that it is the intention of Canada to change its coasting laws so that the coasting trade of Canada will be further restricted to vessels registered in Canada, owned, manned and operated by Canadians, and that this change will be made on the expiry of one year from the date of the notice. This is the ideal way of solving the problem, but I know that there have been serious objections made to this plan for dealing with the situation, and I understand those objections.

But, Mr. Chairman, there is another way open to us. The following action should be taken immediately, and this is in conformity with the British commonwealth merchant shipping agreement: First, we should promulgate coasting regulations applicable to all vessels operating in the coasting trade of Canada, providing that such regulations applied equally to vessels registered in Canada as to vessels registered in other parts of the British commonwealth. This would not abrogate the provisions of article 11 of the British commonwealth merchant shipping agreement. Article 11 especially provides that each part of the British commonwealth may regulate its own coasting trade, but that any such law or regulations shall treat all vessels registered in the British commonwealth in the same manner. It is suggested that these regulations should include the following:

1. Vessels operating in the coastal trade of Canada should be required to maintain certain standards of wages and working conditions. It might be undesirable to set forth the actual wages and working conditions which should apply, so in this event I would suggest that perhaps the following or some similar phraseology be adopted. All officers and men or other persons employed on vessels engaging in the coasting trade of Canada shall be paid, in legal currency of Canada, such wages as are generally accepted as current from time to time for competent employees in the district in which said trade is being carried out for the character or class of work in which they are respectively engaged.

2. All officers manning a vessel engaged or about to engage in the Canadian coasting trade should be properly qualified to carry out the coasting service. The coasting regulations could provide that any holder of a Canadian coasting, home trade or inland water certificate, would be assumed to be properly qualified for voyages to which their certificates apply.

Since under the Canada Shipping Act the holder of each grade of certificate is entitled to all the rights and privileges of holders of certificates of lower grades, the holders of foreign-going certificates would also be accepted as properly qualified for the coasting trade of Canada, whether on home trade or inland water voyages. However, holders of certificates issued in other parts of the British commonwealth should be required to establish to the administrative authority that they are properly qualified to engage in the coasting trade of Canada, and, for this purpose, to submit to either an oral or written examination. It might be assumed that engineer officers holding proper certificates of competency issued in other parts of the British commonwealth are properly qualified to act in such capacity in the coasting trade of Canada but it is quite reasonable that deck

officers, who have a general qualification certificate to proceed on international voyages, may not have the required local knowledge to ensure the safety of a vessel, including her passengers, crew and cargo, operating, for example, in the coastal waters of Newfoundland or of the St. Lawrence river. Such regulations and requirements were anticipated and are permitted under article 17 of the British commonwealth merchant shipping agreement, which reads as follows:

Article 17—Subject to any special provisions that may be made by any part of the commonwealth as to the qualifications to be required of officers on ships engaged in its coasting trade, a valid "certificate of competency or service granted by one part of the commonwealth will be recognized throughout the British commonwealth as indicating that the holder is duly qualified accordingly when serving on board any ship registered in that part."

3. Before any ship is allowed to engage in the coasting trade of Canada, the owners of the vessel should be required to satisfy the administrative authority that they have sufficient assets in Canada to reimburse His Majesty the King in right of Canada for any expenses incurred by His Majesty the King in right of Canada in connection with such ship, her master or a member of her crew. With respect to ships registered in Canada, such assets must be disclosed to the registrar of shipping at the time of registration or else security in the form of cash or government bonds or the bond of a recognized surety company must be deposited with the registrar, prior to the registration of such ship. This is in accordance with section 21 of the Canada Shipping Act. The declaration to the registrar or the security deposited with the registrar by the owners of vessels registered in Canada under section 21 of the Canada Shipping Act could be accepted as compliance with this requirement of the coasting regulations. The amount of security required according to the present departmental practice is one dollar for each ton of the vessel's gross tonnage and $50 for each member of her crew, including the master of the ship. It is reasonable that vessels not registered in Canada should be required to provide this security since His Majesty the King in right of Canada may be exposed to expenses with regard to such vessels when operating in the coasting trade of Canada regardless of where the vessels happened to be registered. Amongst those expenses which are contemplated are the expenses which may be incurred in respect of raising or destroying a ship which has foundered and forms an obstruction to a navigable channel.

The fourth action which could be taken in regard to these coasting regulations is that the owners of any vessel applying for a coasting licence should be required to establish compliance with section 65 of the Customs Act and should be required to produce an affidavit to the effect that no such repairs or equipment have been received by the vessel within the year prior to arriving in Canada or else give the details of such expenses of repairs and equipment together with proof that the duty provided for in section 65 has been paid. They should also establish compliance with section 66 of the Customs Act.

5. The obtaining of a coasting licence should be made mandatory instead of being merely a matter of convenience and no clearance should be given to a vessel on a coasting voyage unless such coasting licence is produced.

It is further suggested that the administration of the coasting regulations and the authority to grant coasting licences should be taken from the Department of National Revenue and placed under the Canadian maritime commission, so that there will be uniformity in the administration of the coasting regulations and the issuance of the coasting licences. No coasting licence, of course, would be issued unless the issuing authority was satisfied that all requirements, including compliance with the coasting regulations, had been fulfilled.

Provision might be made in the regulations to authorize exceptions to the above regulations with respect to vessels which are now and have been for some years operating in the coasting trade of Canada, when it is found that there are no other vessels which can comply with the regulations, which are in a position to carry out the service being performed by such vessels. No exemptions should be granted for more than twelve months, but applications might be made for renewal.

Before closing my remarks I wish to add that these recommendations have been carried out by other countries of the British commonwealth which were signatories to this merchant shipping agreement, and to my knowledge these countries have remained as good and as faithful members of the British commonwealth of nations as we can ever expect to be able to claim ourselves to be. The countries which have passed similar coasting regulations are Australia and New Zealand. In a news-letter which was sent recently to all members of the house by the Canadian Shipbuilders Association entitled "The Antipodes Show us a Way" we were given the history of these regulations. For example, Australia's navigation act, which is the counterpart of the Canada Shipping Act, for years has given its ministry discretion to restrict the trade to vessels paying crew

wages at current Australian rates and providing standard accommodation. In New Zealand, the Shipping and Seamen Act has a similar proviso on wage rates and manning scales. That means the home ships get the business.

And just last year, Australia has gone one step further to protect its shipbuilding industry. By the Shipping Act, 1949, coastal licences are reserved to ships less than twenty-four years old at the date of application and built in Australian shipyards or were, at any time prior to the passage of that legislation, engaged in trade exclusively between places in the Commonwealth of Australia.

The Deputy Chairman: Order. The hon. member has exhausted his time.

Mr. Langlois (Gaspe): I conclude by saying that my recommendations can be implemented and should be implemented, and that the operators of vessels registered in Canada will be better satisfied if they are protected at least in part from the unfair competition of vessels employing persons at lower wages and obtaining equipment and having repairs carried out in a foreign country without using Canadian shipyards, and at a cost lower than such repairs can be made elsewhere.

Let me say this to the committee through you, Mr. Chairman: Let us not try to be more British than the British themselves, even if only for this good reason, that they have a right to claim ultimate perfection in this regard. This may be one of the greatest of their many fine qualities. The commonwealth merchant shipping agreement gave us the privilege of implementing all of these suggestions. Other countries of the commonwealth have done it and, as I said a while ago, they have remained as faithful and as good members of the commonwealth as we may ever be able to claim to be.

Mr. Green: Mr. Chairman, when this bill was before the house for second reading I made a few remarks. Since then we have had the opportunity of considering it in the standing committee on railways, canals and telegraph lines. Therefore I have no intention of going into detail on the first section of the bill. I do hope to say a few words about the plan to license outboard motors, and also with regard to the need for having radiotelegraph on our coastal ships. However that can be done when we reach those sections.

On this first section I should like to say that I believe the international convention for the safety of life at sea should be accepted by Canada. It stands as a schedule to the bill, and I do not believe there can be any doubt that Canada would derive great benefits by accepting that convention. I believe it is the intention of the government to do so, and to have the convention formally approved before the end of the present session.

The Canada Shipping Act is a very important statute, and a very long one. There are not many members in the House of Commons who have reason to take much interest in the working out of this act. In fact, even for those of us who live in the coastal ridings the act is somewhat of a mystery. We did not have a very good opportunity in committee to consider the amending bill. At this stage of the session it is difficult for a committee to go into detail in dealing with any question. I wish the bill had been dealt with at a much earlier stage in the session, so that it could have been given more careful consideration. However, that is now water over the dam. I do suggest to the minister, however, that some arrangement be made in his department to go over the provisions of the Canada Shipping Act carefully, and that he allow it to be amended more readily in the future than has been done in the past.

There was an amendment in 1948, and I believe the only amendment before that was in 1938; the original act was passed in 1934. So far as I know there have been no other amendments, so that the act has not been given a great deal of consideration by parliament. It is of much too great importance to be treated in that way. Careful consideration should be given to it, and I hope that the minister and his department will review all the suggestions which came out during the discussion in the committee on railways, canals and telegraph lines, and that it may be possible to bring in any amendments during the next session at a much earlier stage so that they may be dealt with more adequately.

Mr. Gillis: Mr. Chairman, I too was a member of the committee that considered this bill. As a rule I like to be able to come to the house and say that I was satisfied with what was done in committee, and that all that could be done was done. However I was not entirely satisfied with one phase of this bill.

This evening the hon. member for Gaspe took more than forty minutes to make what I considered was a good basic case for the shipping industry in this country. I understand he is engaged in that business. I listened to him carefully because, coming from the east coast, I have discussed this question on several occasions with people

who are engaged in that industry, and it seemed to me that tonight the hon. member voiced about the same opinions as I have heard expressed from time to time. My reaction is that unless we do something with regard to the industry itself, we will not need a shipping act in another couple of years, so far as Canada is concerned.

I shall not take more than a few minutes to discuss the first section of the bill. I am not satisfied with the bill in that it includes a British ship as a Canadian ship, and a Canadian ship as a British ship, and grants the rights and privileges to a British registered ship to ply the coastal trade in Canada.

The hon. member for Gaspe suggested that the Canadian government was trying to be more British than the British, and that it was because of sentimental attachment to the British commonwealth that we were extending this privilege to British ships. That is not my conception of it, and I believe my view is supported by documentary evidence when I say that money is the nigger in the woodpile. I believe those who ship coastwise in Canada, and overseas, have come to the conclusion that it is much cheaper to use British ships in their transportation by water than to use Canadian ships. As a result Canada is gradually folding up her merchant service and British shipping interests are taking over, not only in overseas shipping but also along the coast.

The United States does not permit this. In their coastal trade they have regulations which state that no other ships shall ply the coastal trade of the United States. There is no fear in Canada of competition from American ships, because American wages and costs are much higher than Canadian, and it would not be profitable from a monetary point of view for Canadian shippers to use United States ships.

Great Britain does not prohibit Canadian ships from plying in her coastal trade but because of their operating costs Canadian ships are not able to take any business from the British interests. As the hon. member for Gaspe pointed out a few moments ago, Australia and New Zealand have taken steps to prohibit the participation in their coastal trade of any ships which do not have wage rates and standards comparable to those of New Zealand and Australian ships. I objected to this clause in the committee and I was led to believe that no change could be made because of the commonwealth agreement, but in checking over since and listening to the hon. member for Gaspe tonight I find that that is not true. Regardless of the commonwealth agreement, Canada is still master in her own house and can make any changes necessary to benefit our merchant fleet.

There are a lot of people in this country who are concerned about this matter. The merchant marine in Canada could be a great industry and it is necessary to a country that exports such a large portion of its production. I have received resolutions, and no doubt the minister has also, demanding that the Canadian government take steps to protect the merchant service of this country through means along the lines suggested by the hon. member for Gaspe.

I am afraid that the perpetuation of the rights of British ships to ply our coastal waters is a studied policy. I say that advisedly because I have in my hand the 1949 report of the Canadian maritime commission. The Canadian maritime commission was set up on the demands of the shipping industry and those in the industry that something be done to stop the trend in the loss of shipping business and the scrapping of our merchant fleet. A reading of that 1949 report would indicate that the commission, rather than attempt to devise ways and means of protecting the merchant fleet of this country, did just the reverse. I should like to quote one section which I think is pertinent to this discussion from page 44 of the report as follows:

> The case for the abandonment of Canadian flag shipping rests on the thesis that the nation or nations which can give the best service at the lowest cost should conduct the carrying trades. Canada is primarily interested in selling her products abroad and it is immaterial under what flag those products are carried. The cost of operating a Canadian flag ship is the second highest in the world. The average daily operating cost, excluding fuel and depreciation, of a standard 10,000-ton Canadian deep-sea ship is $810.50 as compared to $525.46 in respect of a similar vessel of United Kingdom registry. The industry is disorganized by constant labour troubles both of a major and minor nature. If Canadian ships cannot compete in the international market, the business of shipowning should not be encouraged in this country. Moreover the present inconvertibility of foreign currencies poses major problems in securing cargoes and in the payment of freights. The volume of our export trade depends upon the ability of our customers to pay for what they buy.

That report definitely recommends the abandonment of the Canadian merchant fleet on the grounds of cost. If that suggestion is followed through, why not go to Japan or some other country where costs are still cheaper? Why is not the same recommendation made in connection with every commodity imported to or exported from this country? There is no use trying to fool ourselves. As long as we leave the Canada Shipping Act as it is now we are not going to have a merchant fleet.

I am interested in this because a large portion of the section of the country from which I come is directly affected. That is one reason. Secondly, I am a Canadian.

Despite the fact that we are in the commonwealth of nations I am not going to consent to the standards of any section of the Canadian people being pulled down because we can get something a little cheaper from some place else. The trend in this country and on this continent is to build up standards. Time was when those who operated ships in this country used to use Japanese and Chinese crews because they could get them more cheaply, but since the industry has been organized they cannot do that any longer.

But another trend is developing and British registry ships are being permitted to operate even though the wages they pay are fifty per cent of what we pay and their operating costs are much lower. The result is that our own ships are being beached because these other ships can be obtained much more cheaply. I realize that there are difficulties in the handling of exports to and imports from other countries, but I say it is definitely the responsibility of the Canadian government to protect coastal shipping in Canada.

The hon. member for Gaspe has suggested two ways in which that can be done. Under the commonwealth agreement the Canadian government has the right to make regulations along the lines of those passed by New Zealand and Australia so that ships plying our coastal waters would have to conform to the standards and wage rates enjoyed on Canadian ships. If that were done there would be no more difficulty because British ships would not be able to come in and underbid on cargoes as they are doing today.

This country needs a virile merchant marine. We trained a lot of sailors during the war. Until such time as the thinking of those who make policy for the government in the matter of building up and maintaining our merchant service is changed, we are just going to continue to go on and on and our merchant fleet will peter out. There has been a terrific loss in the last couple of years. If we go on for the next couple of years as we have been there will be no need for an act at all.

I do not want to take up any more of the time of the committee but I submit that the minister should seriously consider bringing in regulations to protect our coastal trade, and as soon as possible. On the other hand there is the second alternative suggested by the hon. member for Gaspe, namely, that the commonwealth nations should be notified that a year from now we intend to ask for revisions and changes in the commonwealth agreement. The thing seems so ridiculous. First of all you hold a meeting of sixteen nations where wages, working conditions and safety regulations are discussed. Then the convention is taken to the respective governments and an act is passed in the different countries embodying its contents. We write an act that practically hands over our shipping to British interests because they are not conforming to the standards maintained on the ships of the United States, Canada, Australia and New Zealand.

I think it is a wrong principle in the year 1950 for the government of any country, so far as any of its industries are concerned, to start to lower standards in order to enable another country to take your business from you, thus causing the scrapping of what should be a large industry in Canada. I hope the minister will consider these two recommendations and see what can be done for the protection of our coastal trade. I have not much quarrel with the remainder of the bill. It is merely a matter of incorporating safety provisions adopted at the 1948 convention, and then there are some minor matters which needed adjustment. As to the protection of our coastal trade, however, referred to by the hon. member for Gaspe, I think the government should do some serious thinking and take immediate action.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

On section 9—*Regulations by governor in council.*

Mr. Herridge: Mr. Chairman, I was a member of the committee on railways, canals and telegraph lines which considered this measure in detail in the last few days. Therefore I am not going to take the time of the committee to repeat to any extent the arguments I advanced on this section at that time. I want to say that I know the members of the standing committee expressed admiration for the manner in which the minister's officials answered questions asked by members of the committee. It was obvious to members of the committee that the minister has most efficient staffs in the various branches of the service which were represented at the meetings of the committee.

I am in agreement with the general principle of this section because I see the necessity for it. I believe that small powered craft should be licensed for the protection of life and of the public generally. The minister's officials mentioned the necessity for life-saving and fire prevention equipment, and things of that sort. I heartily agree with that. I have seen quite a number of cases where people's lives were endangered because small craft were not seaworthy, were

not equipped with fire protection apparatus and so on. I have also known of cases where people using small craft with high-powered inboard or outboard motors were a menace to navigation and to other people because of their failure to recognize the rights of others. Therefore I am heartily in agreement with the principle of the section.

Paragraph (a) provides that the governor in council may make regulations providing for the licensing of vessels equipped with detachable motors. I think that goes a bit too far. If the governor in council has that power, then in theory they could require the registration of every outboard motor in Canada. There are a lot of working people and operators of small resorts who use outboard motors of 1½, 2½, 3½, 4 or 6 horsepower. From my experience craft so equipped are not a menace to other people or to navigation.

I have given this question some consideration since the committee met. I moved an amendment to the section in the committee providing that licensing would not be required for boats with detachable motors of 5 horsepower or under. After thinking the matter over, and talking about it with members of the house of all parties who have the same problem in their own districts, I have decided to change the amendment to 8 horsepower. I wonder why the minister laughs. Therefore I wish to move:

That clause 9 be amended by adding thereto immediately after the word "motors" in line 32 thereof the following words: "of more than eight horsepower."

I think members of the house will see the point I am trying to make. In the first place I think the inclusion of the hundreds of thousands of low-powered boats would create a lot of extra work and unnecessary expense for the department from an administrative point of view. I am chiefly concerned, however, with the man who has a small fishing boat or the resort owner with small boats that he rents to others. Such craft do not create a hazard and are not a menace to the safety of others. Therefore I hope that members of the house representing people who use outboard motors extensively will see fit to support the amendment.

Mr. Green: Mr. Chairman, I hope the minister will see fit to accept the amendment. As the section in the bill now reads, there is no restriction whatever. It gives the governor in council the power to make regulations providing for the licensing of all vessels equipped with outboard motors. In the committee it was explained that the department in drawing up the regulations might not go that far and might not include all outboard motors, but surely it is a wrong principle for the department to take power which is wider than needed. It is admitted that they do not need such wide power. There is no reason why outboard motors of small horsepower should be licensed. They are not the ones that are causing the trouble.

It was made clear in the committee that the difficulty arose because some of these faster outboard motors were constituting a hazard for traffic on the crowded waters of Canada such as the Detroit river and the harbours of some of the large cities; but there must be hundreds of thousands of outboard motors in use in Canada on thousands of lakes. Canada is a country of lakes, and I submit it is not sensible at all to have a law compelling the licensing of all outboard motors. Surely all we need to do is meet the problem, and that problem is raised by the fast boats.

In committee one of the hon. members pointed out the effect that licensing would have on the tourist trade in Canada. As everyone knows, that is one of our main industries. Thousands of Americans come here in the summer, and many of them bring outboard motors. If this general power is taken to license all vessels with outboard motors, those Americans with small motors also will be subject to registration.

Much more could be said, but I urge the minister to agree to make some change in the bill. If eight horsepower is too high, perhaps a different figure could be fixed, but to simply take general power to license all outboard motors is going too far. I hope the minister will see his way clear to accept the suggestion and agree on some definite figure.

Mr. Macdonnell (Greenwood): May I add just a word before the minister gives a negative answer to this. I really believe he may be going to co-operate, but I just want to add this. I suppose every man passes through a time of life when he is a reactionary, and personally I think it is very much open to question whether the inventor of the outboard motor was a benefactor to humanity. However, that is just something on the side and quite irrelevant to this discussion, merely a matter of personal prejudice. I suggest to the minister, who is a real lawyer, not just a half and half lawyer like myself, that there is a Latin maxim which covers this point. It is *de minimis non curat lex,* which I believe means that the law does not take care of tiny things. So I hope he will see his way clear to fall in with this suggestion.

Mr. Thomas: I support this amendment wholeheartedly. I believe the section as it now stands is entirely too far-reaching. The average one and a half or two horsepower outboard motor is useful only to those who desire to go fishing, who travel at slow speeds. The boats that should be licensed and have some identifying number or mark are those that travel at high speeds. Personally I do not know whether or not eight horsepower is where the line should be drawn, but I do think the line should be drawn somewhere so that boats which are actually menaces on the waterways of the country can be identified in case they have broken any rule or law or have endangered other boats or swimmers, but I do not think it should apply to the small outboard motors.

Mr. Higgins: With all due respect to my learned colleague the hon. member for Greenwood I do feel that small things, in the sense of outboards, are very important, at least in the part of the country now recognized as the tenth province. Definitely in my province small motors, up to eight horsepower, are a very important part of the routine proceedings of the ordinary day in the summer, and in fact most of the year. To suggest that they must be licensed, that people must go through the routine of applying to a collector of customs and painting a number on their boats, and all the rest of it, seems a bit ridiculous. I am sure the minister is not going to impose that upon us. I understood the intention was to give the minister power to make these regulations if he deemed fit; but, as the hon. member for Vancouver-Quadra has said, these powers are rather sweeping. I should hope the minister would agree that a boat no longer than sixteen feet, with an outboard motor of not more than eight horsepower, cannot do very much damage to anybody and is not likely to be careening around the water at such high speed that traffic cops would be needed. This is only going to inconvenience a great many people. I do not think only of Ontario and Quebec when I speak of a tourist program. The newest province has a big tourist program in view, and if we have to go through this licensing and numbering and all the rest of it, the next thing may be a regulation requiring all boats equipped with outboards to carry tail lights and running lights.

I hope the minister will not regard these remarks as at all facetious, because I am quite serious. I believe outboard motors up to eight horsepower should be exempt from this provision, as the hon. member for Kootenay West has suggested. I quite agree that high-powered boats such as those in which the moguls of Toronto run around the lake should be licensed in some way. In the poorer provinces, however, that should not apply to small boats up to eight horsepower. I am sure the minister has the same thought in mind, living as he does on the greatest river in the world. I am sure he would not want his people to be put to this inconvenience under the act.

Mr. Noseworthy: In committee we were given to understand that while the minister was asking for the power outlined in this section it was not intended to use that power to require the licensing of all classes of boats with outboard motors. In committee we tried to get from the minister and his officials some information on the nature of the regulations that would be made. We were unable to get that information; apparently neither the minister nor his officials were very clear on just what they should be.

My objection to this clause is an objection to giving the governor in council power to require that every boat equipped with an outboard motor shall be registered, if the minister should so decide. I object to that sweeping power, and favour the amendment. If the amendment does not meet the requirements the officials have in mind, it is still open to them to impose other limitations. At least the amendment would assure that no boat with an outboard motor of less than eight horsepower would require to be licensed. I do not want to have to get a licence for the little outboard I carry around in the back of my car, and which I stick on probably fifty different boats during the course of the season. I would have a happy time doing that, I am sure. That may not be the intention, but I object to the principle of giving such sweeping power to the department.

Mr. Chevrier: If I may be permitted to say a word in reply, I think I said once before that I was anxious to be co-operative in all these matters, but unfortunately tonight I cannot meet the suggestion of my hon. friend. One of the reasons is perhaps that given by the hon. member for Kootenay West, when he said he had perfect confidence in the officers of the Department of Transport, and particularly those who gave evidence before the committee where this matter was specifically discussed. My hon. friend said he had full confidence in those people, and I am sure he will have confidence in them still, when I tell him they have advised against accepting this amendment for reasons which I shall give in a moment. Another reason that prompts me to oppose this is that given by the member for Greenwood, who says there is a Latin maxim *de minimis non curat*

lex. There is another Latin maxim having to do with the law, which is far more pertinent than the one just quoted and I am sure my hon. friend knows it, and that is *res ipsa loquitur*, and that has great application in this case. Our officials feel that, for the reasons given to the committee, the time has come when there should be licensing of these motorboats.

I gave the reasons in the committee why I thought it was difficult to distinguish between a regulation which would cover horsepower and one which would cover length. Then again there comes into the picture the question of speed. You may have an 8-horsepower engine in a small boat travelling at high speed, whereas an 8-horsepower engine in a boat of more than sixteen feet would travel at slow speed and would not be a danger to other craft using the same waters.

There is nothing extraordinary in the powers taken here. The hon. member for Vancouver-Quadra asks why we should take powers wider than we need. That has been done repeatedly, not only in the Department of Transport but in other departments. I call attention to the fact that the Canada Shipping Act of 1948, under section 488A, gave the minister power to exempt ships from having certain qualified officers and mates, and also from the steamship regulations, which is far more important than this.

Mr. Green: You will be regulating bathing suits next.

Mr. Chevrier: Need I say there is no intention to regulate bathing suits. Neither is it the intention to create a nuisance. As I indicated in the committee, from the studies that have been made thus far it is not possible to say upon what basis the dividing line should be drawn. I gave the assurance to the committee that we would not attempt to enforce regulations which would act as a nuisance to the public, particularly tourists and other people who use our lakes and who have these small outboard motors.

From the studies that have been made thus far, I would not think it would be proper to regulate motorboats of five horsepower and under. Neither would I think it would be a proper thing to regulate a boat of sixteen feet long or under. But from the information at hand I would not like to go any further than that, because the officers who are giving the matter their consideration are not able to say where the dividing line should be. They would like to get this power in order to study the matter. It will not come into force this year. There is no charge involved by the regulation. It is for the purpose of licensing and marking boats, and it is also for the purpose of protecting the public. It was mostly on that basis the officers proposed it, so with respect, Mr. Chairman, I have to say I am not able to accept the amendment.

Mr. Herridge: The minister just said that I had stated I had every confidence in the officers of his department, and so I have. I have every confidence in the officers' technical ability, but I have not confidence in their ability to express the opinion of the people of Kootenay West.

Mr. Macdonnell (Greenwood): Did I understand the minister to say that the regulations would not be administered this year in such a way as to be a nuisance to anyone?

Mr. Chevrier: I am saying that the regulations cannot be put into effect in 1950. They will not come into effect until 1951.

Mr. Hodgson: Under this regulation you are leaving it up to the officer of the law to determine the law. Who is going to enforce this law? Is it going to be the Royal Canadian Mounted Police?

Mr. Chevrier: May I interject that it is not an officer of the law who will interpret the law. The governor in council will make the regulations.

Mr. Hodgson: Yes, that is quite true; the governor in council or some individual in the department will draw up the regulation and make the law. When you come to enforce the law, it has to be done by the provincial officers or the game warden. It cannot be done by the Royal Canadian Mounted Police, because those officers are stationed so far apart. You are putting an officer of the law in the position of having to determine the law, determine whom he should arrest and whom he should not arrest. When he arrests one person, for instance, he has to arrest all. He cannot let one man go and arrest another. Who is going to determine when he is speeding and when he is not?

Amendment negatived; yeas 27; nays 44.

Section agreed to.

On section 10—*Repeal.*

Mr. Green: Mr. Chairman, it is eleven o'clock.

Section stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, I believe there are only four bills left on the order paper. With regard to Bill No. 315, that is the Citizenship Act, there is only one section left and I believe we shall take that up. I

cannot give the exact order for these four bills, but we shall give time to the four of them tomorrow. There is Bill No. 314, an act to amend the Canada-United States of America Tax Convention Act; Bill No. 303, an act to amend the Canada Shipping Act, 1934; and Bill No. 317, an act respecting the national film board.

Before we take up the bill concerning the national film board, we shall go into the estimates of the film board.

Mr. Green: Before?

Mr. Fournier (Hull): Before we consider the bill. At three o'clock in the afternoon we shall take up the estimates of the Department of Finance. If we do pass these bills, then the departments that are ready with their estimates are Resources and Development, Secretary of State, Post Office and Justice.

Mr. Fleming: We will take up finance estimates at three o'clock regardless of how you stand on the legislation?

Mr. Fournier (Hull): Right.

Mr. Fleming: Will you continue with finance then until it is completed?

Mr. Fournier (Hull): We hope it will be through at six o'clock because the Minister of Finance is leaving and he will not be here next week. That is why we are bringing them on tomorrow afternoon. I understand they had a discussion yesterday.

Mr. Fleming: If we do finish at six are we going back to legislation in the evening?

Mr. Fournier (Hull): Yes, we will take legislation.

Mr. Knowles: The minister said there were only these four bills left on the order paper. Are there any other bills to come in at this session?

Mr. Fournier (Hull): I do not know of any other bills.

Mr. Sinclair: The appropriation bill.

Mr. Fournier (Hull): I do not know of any other bills except the appropriation bill.

Mr. Green: Can the minister say when the supplementary estimates will be down?

Mr. Fournier (Hull): Three o'clock tomorrow afternoon.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, June 23, 1950

The house met at eleven o'clock.

FLOOD CONDITIONS

SOUTHERN MANITOBA—CONTRIBUTIONS FROM PARLIAMENT HILL TO RELIEF FUND

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I request the privilege of announcing that the money received on behalf of the Manitoba flood relief fund from parliament hill, which includes contributions from members of the Senate, members of the House of Commons, members of the press gallery, and staffs of both houses, as well as some outside contributions and the collection taken at the ball game, now totals $6,706.35.

Members of the committee named to accept these contributions are most grateful for this splendid response, and desire to take this opportunity to thank those who have so generously contributed to this very needy cause—particularly so when it is known that many had already made contributions through other sources.

PRIME MINISTER'S RESIDENCE

FURTHER REPORT ON CONSTRUCTION AND ESTIMATED COST

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a statement with reference to the Prime Minister's residence.

In the supplementary estimates to be tabled by the Minister of Finance (Mr. Abbott) the government is asking parliament to vote $300,000 for the completion of the Prime Minister's residence. This amount is in addition to $80,000 already included in the main estimates, and $30,000 expended in the fiscal year which ended on March 31 of this year, or a total of $410,000.

I admit at once that this figure, which includes $305,000 for the cost of the building and $105,000 for the furnishing of the house, is higher than the rough estimates of cost which were given to the government at the time the decision to provide an official residence for the Prime Minister was made in September of last year.

We were warned by the architects at that time that no satisfactory estimate could be made of the cost of reconstructing an old house until the work was far enough advanced to enable the architects to make a firm estimate of the soundness of the structure, and the extent to which it would have to be torn down and replaced by new construction.

As a result of their preliminary examination, the architects estimated that the cost of removing the old building and replacing it with a new modern building of similar proportions and dignity would be about $360,000. The architects considered that the existing structure could be rebuilt for a smaller amount, which is proving to be the fact, assuming that the preliminary estimate of cost of a new house is correct.

Rightly or wrongly, the government decided to rebuild the existing structure and, as I said on June 8, the government secured the services of an architectural firm which seemed to have the widest experience in this type of work, and of a local contractor with a first-class reputation.

Since the decision to rebuild was made, two factors have combined to increase considerably the estimated cost. In the first place, as the demolition of the interior of the house proceeded, it was found that the structure had deteriorated to an extent that the house practically had to be rebuilt, except for the outside walls and one or two main partitions. In the second place, building costs have risen substantially since last September.

It can be argued that the government should have decided to build a new residence, perhaps on a smaller scale than the existing house. However, the decision was made to rebuild the old residence. I gave the reasons for that decision in an earlier discussion on this subject.

As the hon. member for Rosetown-Biggar (Mr. Coldwell) pointed out at that time, once we had made substantial progress on the reconstruction of the present building, it was too late to change the decision, assuming that a change should have been made, which I do not admit. The problem then was to make the old building into a suitable modern residence. That is what is being done, and we are not spending a dollar which is not required to create an official residence for our Prime Minister which will be worthy of Canada.

When the house is completed it will not be a palace—I might just remind the hon. members by way of comparison that it is estimated the reconstruction of the White

House will cost $5,400,000—but it will be a dignified and well-equipped official residence where the Prime Minister can receive appropriately the representatives of any country, and in its beautiful setting, the residence will be an addition to the national capital of which the people of Canada can be proud.

Mr. Coldwell: Mr. Speaker, on a question of privilege, I appreciate the quotation the minister has given from what I said the other day, but I think the minister has quoted me at the wrong time and the wrong place. I would prefer to have been quoted to the effect that I thought that this building should have been torn down and a new and smaller and more modest residence erected.

Mr. Howe: I shall quote you accordingly next time.

Mr. Fraser: May I ask the minister if the figure quoted includes the original $140,000 that was paid for the property?

Mr. Howe: No, sir.

Mr. Fleming: May I ask the minister if this additional appropriation will be the end of this extravagant splurge?

Mr. Knowles: Is the answer yes or no?

AIR TRANSPORT BOARD

DIRECTIVES AND CIRCULARS ISSUED SINCE LAST ANNUAL REPORT

Hon. Lionel Chevrier (Minister of Transport): On May 25, 1950, during the debate on the bill to amend the Aeronautics Act, I stated I would table directives and circulars issued by the air transport board. I now beg leave to table copies, in English and in French, of the directives and circulars issued by the board since publication of the board's last annual report.

TRANS-CANADA HIGHWAY

ANNOUNCEMENT OF AGREEMENT WITH NEWFOUNDLAND

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, hon. members may be interested to know that the federal government has today completed an agreement with the government of the province of Newfoundland for the construction, under the terms of the Trans-Canada Highway Act, passed by parliament at the last session, of the route of the trans-Canada highway through Newfoundland. The agreement was signed on behalf of the province of Newfoundland by the Hon. E. S. Spencer, minister of public works.

[Mr. Howe.]

Mr. Higgins: Have there been any changes in the specifications for the road?

Mr. Winters: The same agreement and the same specifications as apply to all other provinces will apply in the case of Newfoundland.

Mr. Browne (St. John's West): Will the minister table a copy of the agreement?

Mr. Winters: I shall be glad to do that.

Mr. Black (Cumberland): Has the minister's department or the government completed an agreement with the province of Nova Scotia for the construction of the trans-Canada highway through that province?

Mr. Winters: No such agreement has yet been completed.

Mr. Black (Cumberland): Will the minister table the correspondence with the province of Nova Scotia?

Mr. Winters: Subject to permission being obtained from the province.

EXTERNAL AFFAIRS

REFERENCE TO PRESS REPORT OF REMARKS OF GENERAL MCNAUGHTON IN VANCOUVER

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs, of which I have not had a chance to give him notice. Has the minister's attention been drawn to the Ottawa *Journal* of yesterday, which contains a report of a speech by General McNaughton in Vancouver to the Junior Chamber of Commerce, in which, speaking of the Russians, he is reported to have said;

> They will turn to war as a means of achieving their ends.

At a time when everyone is advocating more moderate statements, does the minister think that someone who bears such a close relationship to public affairs and the government of this country should make a statement of that kind?

Hon. L. B. Pearson (Secretary of State for External Affairs): I prefer not to comment on this alleged statement until I have seen a text of what General McNaughton said.

Mr. Macdonnell (Greenwood): When the minister considers it further, will he use his influence to see that future statements of the same kind are not made?

OATS

IMPORTATIONS FROM THE UNITED STATES AND ARGENTINA

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Trade and Commerce in connection with a Broomhall's summary to the effect that several million bushels of oats are to be imported into Canada and the United States from Argentina. Is the minister in position to say whether that report is correct, and whether the price is to be 75¾ cents per bushel?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I do not know the details of the transaction, but I do know that one cargo of oats has been brought into Canada. I read in the morning paper that certain oats are being brought into the United States. I see nothing strange about the situation, as Canada markets oats in the United States. The transaction is protected by the Canadian tariff law. There is no prohibition against imports into this country.

Mr. Diefenbaker: Would the minister say what he means by his last statement?—because that is what I had in mind. What are the ordinary tariff laws that would apply to the bringing in of oats from countries that bonus exportations, as Argentina does under her exchange provisions?

Mr. Howe: The possibilities of dumping have been explored, and it has been found that there is no dumping in connection with this cargo. At least that is the decision of the Department of National Revenue. The ordinary safeguards of the tariff law are applied to this and other imports into Canada.

CHIGNECTO CANAL

QUESTIONS AS TO BRIEF SUBMITTED BY DELEGATION FROM MARITIMES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I should like to ask the Acting Prime Minister whether the brief presented in connection with the Chignecto canal will be tabled, as well as the reply of the Prime Minister?

Right Hon. C. D. Howe (Acting Prime Minister): Neither is an official document of the type it is customary to table. I think the Chignecto canal committee could be persuaded to supply my hon. friend with a copy of their brief.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING CHILDREN BORN IN CANADA TO DIPLOMATS, CERTIFICATES TO PERSONS LOSING CITIZENSHIP THROUGH MARRIAGE, ETC.

The house resumed, from Thursday, June 22, consideration in committee of Bill No. 315, to amend the Canadian Citizenship Act—Mr. Harris (Grey-Bruce)—Mr. Beaudoin in the chair.

On section 8—*Part III.*

Mr. Harris (Grey-Bruce): It was requested that this section stand last night, because of two questions that were raised. One was by the hon. member for Rosetown-Biggar, who suggested that there should be inserted some reference to the person who takes preliminary steps toward obtaining citizenship in another country. During the limited time available we have given consideration to this, and have decided that we would prefer to continue to consider it rather than to make an amendment now. It would run counter to the principle we have introduced of giving quick citizenship to those who are completely naturalized and who return to this country and desire to regain their Canadian citizenship.

Mr. Coldwell: I had in mind the person who has renounced allegiance to this country.

Mr. Harris (Grey-Bruce): I realize that and we will give consideration to it. The other question had to do with natural-born Canadians who served in the armed forces of a country that fought against us in the last war. At that time there was no citizenship act in force which would apply to them, and there was no loss of citizenship because of the action they took. We have given consideration to this, and feel that the decision made at the time the citizenship act was introduced four years ago not to make the section retroactive is probably the best decision to make in the circumstances. I can assure my hon. friend, however, that we have no record of these people coming to this country, nor have we any record of applications being made for their re-entry into Canada.

Mr. Green: If I remember correctly, when the citizenship bill was under discussion in 1947 the minister in charge said that its provisions would be wide enough to prevent the return to Canada of Japanese who had fought in the Japanese forces. I may be wrong, but that is my recollection. If the new section is not wide enough to prevent them from coming back, then I suggest that the minister

take steps in his capacity as minister of immigration to see that they are not allowed to return to Canada.

Earlier in the present session this question was raised in the other place by Senator Reid. I have a press dispatch of April 8, 1950, the heading of which is as follows:

No persons of Japanese origin who served with enemy armed forces admitted to Canada.

The article reads in part:

The department of immigration issued a statement this week that no persons of Japanese origin who served with the Japanese military forces in the second world war have been permitted to enter Canada.

I do not know the basis on which that prohibition has been enforced, but I would urge the minister to have his officials look into the situation further, and if by any chance legislation or regulations are necessary to prevent the return of such people, steps should be taken to that end.

Mr. Harris (Grey-Bruce): I shall do so.

Mr. Bater: Under the new legislation will a married woman born in Canada, who married a man who is not a Canadian citizen, lose her Canadian citizenship?

Mr. Harris (Grey-Bruce): No. It depends on the citizenship of her husband whether she ever lost it in the first place, but if she did lose it she may regain it under this act.

Mr. Adamson: How may she regain it? There have come to my attention several cases in which Canadian women who married during the war lost their Canadian citizenship, and are now deprived of it and wish very much to regain it. As a matter of fact one of the employees of the house during the last session married a citizen of Holland during the war and lost her citizenship. She wishes to regain it. What steps can she take to regain her Canadian citizenship?

Mr. Harris (Grey-Bruce): We went through that last night, but if my hon. friend will permit me to say so, all the provisions are designed for the particular case the hon. member has in mind. As I said last night, it covers many girls from his constituency who married Norwegian soldiers during the war. If he will get in touch with me I shall go into the details with him.

Mr. Hodgson: When do immigrants become full-fledged citizens, so that when Canada faces emergencies such as existed in the periods from 1914 to 1918 and from 1939 to 1945 persons who have lived in this country for fifteen or twenty years will be subject to military call-up? In the last two wars young men who came to this country when they were five or six years of age were not subject to call-up in the same way as Canadian citizens were. Is there anything in the legislation affecting that situation?

Mr. Harris (Grey-Bruce): No. Persons who become subject to service in time of emergency are made subject to service under the Militia Act or special orders in council which may be passed for the purpose of the emergency. They are not affected by this act.

Mr. Hodgson: In the last two wars there were quite a few young immigrants of the required age who could not be called up because they were not naturalized citizens. I believe a change should be made in the act, and that people should be compelled to become naturalized citizens after they have been here for a certain length of time. I should like the minister to look into that situation.

Mr. Harris (Grey-Bruce): I shall.

Mr. Diefenbaker: I do not think the question I have in mind arises under this section, but I did not have an opportunity to bring it to the attention of the minister last night because of a committee meeting I had to attend. It concerns persons of Chinese origin in this country, and the sons and daughters of Canadian citizens of Chinese origin. I have several cases in mind of Chinese who are Canadian citizens and who were unable to secure Canadian citizenship, as the minister knows, until just recently. Some members of their families are still in China. They are endeavouring to bring their sons and daughters to Canada and are unable to do so if those sons and daughters are over eighteen years of age.

Mr. Harris (Grey-Bruce): I think that is a matter of immigration, not citizenship. We shall have supplementary estimates on immigration.

Mr. Diefenbaker: I will not disagree with that view, but these sons and daughters should now be able to come to Canada, in view of the fact that their fathers have become naturalized Canadian citizens. They should not be denied admission to this country on an arbitrary basis of fixation of the age of qualification for entry into Canada at eighteen. After all, if we are to meet the challenge of communism in the world today, nothing must be done that will make it appear that Canada denies admission to this country of the sons and daughters of Canadian citizens. To the fathers, Canadian citizenship means something. When the minister discusses the supplementary estimates I suggest that he let these people know whether or not some consideration will be given. Altogether there are only 2,000 affected, but the opinions of

Canadian citizens of Chinese origin are anything but favourable to the present regulations.

Mr. Coldwell: I know that discussion of this matter is out of order, but representations in this regard were made by the hon. member for Winnipeg North Centre when the estimates of the Department of Citizenship and Immigration were under consideration. I merely want to say I hope the minister is studying this matter and will give some consideration to the plight of foster children of Canadian citizens of Chinese origin.

Mr. Harris (Grey-Bruce): I would have made that answer to the hon. member for Lake Centre. The question was raised on my estimates last week by the hon. member for Winnipeg North Centre. We had a discussion on it in which I gave some information, but we may pursue the matter further on the supplementary estimates.

I should like to take a minute to discuss the bill under consideration. I misunderstood a question that the leader of the C.C.F. party asked me last night with respect to the right of the minister to grant certificates should an applicant not qualify as to language, or something of that nature. The correct answer is completely different from the one I gave. I did not understand the hon. member. The minister has no power to override the recommendation of the judge, and I indicated he had, which was my error.

Mr. McLure: What is the difference between an English immigrant and an English settler? I ask this question because some time ago I made application to the department for assistance on behalf of an English settler who had come to Canada, and the government replied that they could not do anything for a settler, that it was only the immigrants they were out to assist. So I would like to know what is the difference between an English settler and an English immigrant coming to Canada.

Mr. Harris (Grey-Bruce): I shall be glad to answer that question on the supplementary estimates of my department.

Section agreed to.

Bill reported, read the third time and passed.

TAX AGREEMENTS

CANADA-UNITED STATES—RATIFICATION OF TAX CONVENTION ACTS, 1943 AND 1944

Hon. Alphonse Fournier (for the Minister of Finance) moved the second reading of Bill No. 314, to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

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

On section 1—*Convention approved.*

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): Perhaps I should make a short statement. I think the purpose of this act is best described in the words of the original protocol between Canada and the United States—for the avoidance of double taxation and the prevention of fiscal evasion in the case of income tax. In a country such as Canada, which has close business interests with both the United Kingdom and the United States, it is very important that we avoid double taxation on the same income in order not to impede business between ourselves and the United States or between ourselves and Great Britain. It is also very important that our taxing authorities co-operate to see that there is no opportunity for evasion by taxpayers because of different taxation laws in the two countries.

It is not easy to negotiate such a tax convention, for several reasons. The most obvious one, of course, is the fact that the taxing laws of Canada and the United States are by no means identical. A second factor is the difference in legal terminology. A third factor, and a very important one, is that in such conventions the revenue loss through a concession must be roughly equal to the revenue we are going to gain through a similar concession from the other party. Because of the similarity between our tax laws and those of Britain, we have been able in the past to have our tax conventions with the United Kingdom more advanced than the ones we have with the United States. During recent years, however, continuous negotiation at Washington has resulted in this present Canada-United States taxing agreement coming much closer to the Canada-United Kingdom agreement. That, of course, is a good thing in the interests of business between all three countries.

The present amendments can be discussed in detail as we go through them, but the principal one in the first part, the income tax part, is to widen the present exemptions for workers of one country on temporary duty in the other country.

Mr. Macdonnell (Greenwood): Would the parliamentary assistant please give us the reference as he goes along?

Mr. Sinclair: Perhaps it would be better if I just dealt with the sections as we come to them, instead of indicating the principal amendments now. The second thing is to get way from double withholding tax on these temporary workers, where both their

parent country and the country in which they are on temporary duty have withholding taxes. Third is the mutual exemption of royalties for literary and artistic works in either country.

The second provision refers to succession duties. Under the old act the situs of stock left in estates was spelled out; the rest was left to the courts under the common law. Now we have a mutual arrangement spelling out in the act the situs of pretty well every class of property which might be left in an estate.

Mr. Macdonnell (Greenwood): In the preparation of these tax conventions has there been consultation with people in the business world who have particularly to do with taxation measures, or has it been left entirely to government officials? I ask this because I know in times past there has been consultation.

Mr. Sinclair: Most of these changes have come about because business both in Canada and the United States has come forward with these problems of double taxation and asked both governments whether they could not get together to see that double taxation was avoided. On the other phase, of course, to see that there is no opportunity for evasion, naturally that is not left to business advice; the taxing authorities themselves decide on that. For the most part these changes are consequent upon representations made by either United States or Canadian business, showing that because of our present convention there is an element of double taxation.

Mr. Macdonnell (Greenwood): Can it be broadly said, then, that, in so far as it is possible to consult them, the Canadian Tax Foundation, for instance, and other similar bodies have been consulted?

Mr. Sinclair: Quite right.

Mr. Fraser: There has been no change in the withholding tax of fifteen per cent on American funds of a Canadian going into the United States?

Mr. Sinclair: There is the one exception I mentioned, with respect to royalties. Last year we amended our law to exempt them, and now the Americans have agreed to do the same, so that is in this schedule.

Mr. Fraser: It will come in with this bill?

Mr. Sinclair: Yes.

Section agreed to.

Sections 2 and 3 agreed to.

Schedules A and B agreed to.

[Mr. Sinclair.]

Title agreed to.

Bill reported, read the third time and passed.

CANADA SHIPPING ACT

AMENDMENTS TO RATIFY INTERNATIONAL CONVENTION FOR SAFETY OF LIFE AT SEA

The house resumed, from Thursday, June 22, consideration in committee of Bill No. 303, to amend the Canada Shipping Act, 1934—Mr. Chevrier—Mr. Beaudoin in the chair.

Sections 10 to 35 inclusive agreed to.

On section 36—*Radio installation.*

Mr. Green: Section 36 of this bill substitutes a new section 406, subsection 1, in the Canada Shipping Act, including a new paragraph (a) to which I wish to refer. The side-note reads "radio installation". This particular paragraph applies, of course, only to Canadian ships on international voyages. It does not apply to ships engaged in the coastal trade or on the great lakes. In accordance with the international convention for safety of life at sea, it makes certain provisions concerning radio installations which I believe are excellent. Members of the committee will observe that it provides that all Canadian ships carrying more than twelve passengers, and other Canadian ships of 1,600 gross tonnage—which of course refers only to cargo vessels—plying on an international voyage, must, unless they are exempted by the minister, be fitted with a radio installation which complies with the safety conventions. They must carry radio operators with such qualifications as are specified, who must keep such watches as the minister may prescribe, and in addition we find this provision: that while keeping watches the operator shall not engage in other duties which in any way interfere with the keeping of watches. That, of course, is taken from the international safety convention which applies to all ships of all maritime nations except Russia, which is not a party to the convention. It sets up a standard which I think is one which should be followed, not only for international voyages but also for certain of the ships on our coasts.

Under the Canada Shipping Act, subsection 2 of this section 406 deals with the domestic trade; in other words it contains the law applicable to the coastal trade. I should like the minister to correct me if I am wrong in any of these statements. Under subsection 2, paragraph (a), all passenger ships—this paragraph does not include cargo vessels—must have radiotelegraph installations provided that they are on voyages of a certain length. For example, if a ship is

licensed to carry from 50 to 250 passengers she must have radiotelegraph installation if she is going for more than 200 miles from one place to another place. Those are the words used in the act. If she is licensed to carry from 250 to 500 passengers, then she must have radiotelegraph installation if she is going for more than 90 miles from one place to another place. If she is a larger vessel licensed to carry over 500 passengers, then she must have this radiotelegraph installation with a radio operator if she is going for more than 20 miles from one place to another.

There is not the same provision in this subsection 2, which applies to the domestic trade, covering the watches that are to be kept. I should like to see it amended to contain the same provisions as are now to be applicable to all passenger ships on international voyages. In addition there is one great weakness in subsection 2 of section 406 of the act as it reads today, and that is the reference to the mileage which is described as being measured from one place to another place. The ordinary layman reading that section would think it meant that if a ship was going from Vancouver to Prince Rupert, which is a great deal more than 200 miles, it would have to have radiotelegraph installation and an operator. That is not the interpretation that has been placed on the section by some of the shipping companies. They say that "from one place to another place" means that if the ship stops every 200 miles in the case of a small ship, or every 90 miles in the case of a middle-sized ship, or every 20 miles in the case of a larger ship, then the provision does not apply and it is unnecessary to have radiotelegraph installation. That interpretation simply means that if these vessels call at a logging camp, a fish cannery, or any sort of whistle stop on the voyage up the west coast of Canada, they are not subject to this provision, and need not have radiotelegraph installation or an operator.

My submission is that in effect they are evading the intent of the act. Because of the discovery of radiotelephony there is a distinct trend towards doing away with these radiotelegraph installations, or at least easing up on the provisions. Our dislike of this trend was clearly expressed in an editorial in one of the Vancouver papers two or three months ago, and I shall quote from the Vancouver *Sun* of March 13, 1950. The heading on the editorial is "Safety at Sea." Throughout my remarks I would stress that the whole issue here is safety at sea. We do not want to have a catastrophe on our coast by reason of one of the vessels plying up and down the coast not having the proper radiotelegraph installation and an operator whose sole job is to look after it. I do not know whether I should quote this editorial, because it is praising a speech made by the hon. member for Skeena. However, it says:

> Mr. Applewhaite urged that every ship of 50 or more tons and every ship chartered to carry passengers be required to carry at least one full-time radio operator who shall have no other duties but the maintenance of radio equipment and keeping of radio watches. This demand may be extreme. The stress should be on the number of passengers carried and the distance of the voyage from point of origin to the most distant point.

You will notice that there they indicate that the words "from one place to another place" should not be used but "from the point of origin to the most distant point". The editorial continues:

> The government should consider that ships carrying at least 50 persons including crew should be so protected. And it should also be remembered that the carrying of a full-time radio operator is not merely for the safety of the ship in question but to enable her to co-operate in rescuing other ships.
>
> Maintenance of a full-time watch is also important. The operator should have no other duties that will interfere with his watch.

This question of interfering with the watch of the radio operator has arisen because some of the companies are trying to make the radio operators act also in other capacities—for example, as freight clerks or pursers or to have one of the officers do the job. They are trying to put other work on these men. That practice of course means that they are not available at all times to look after radiotelegraph on the ship. The editorial concludes:

> There should be no distinction between international coastal voyages and domestic coastal voyages. A voyage from Vancouver to the Queen Charlottes can be just as dangerous as to Ketchikan.

A voyage from Vancouver to Seattle, or from Vancouver to Ketchikan, Alaska, or to Skagway, Alaska, is of course considered to be an international voyage. It therefore comes under subsection 1, which is being amended by the bill now before the committee. By the terms of this new subsection 1 there must be a radiotelegraph installation unless the minister exempts the ship, and there must be an operator keeping watches as set by the minister, and devoting his full time to the one business of looking after the radiotelegraph. A passenger on a trip from Vancouver to Seattle or from Vancouver to Alaska is thus protected. But a passenger on a voyage from Vancouver to Victoria or from Vancouver to Prince Rupert does not have that protection, although the voyage is just as dangerous. The ships have to go through the same difficult channels. They are exposed to the same open sea in certain places.

An hon. Member: Ripple Rock.

Mr. Green: Yes, they are exposed to Ripple Rock, which the hon. member for Comox-Alberni and some of the rest of us have not yet been able to get removed. They are also exposed to the dangers of fog. I hesitate to say that we ever have any fog on the Pacific coast—

An hon. Member: Or rain.

Mr. Green: —or rain, but it must be admitted that once in a while we have an extremely heavy fog, and that these coastal voyages are dangerous ones. There have been some serious accidents. For example back in 1918 or 1919 the *Princess Sophia* was lost north of Prince Rupert and several hundred people were drowned. This whole question is one of safety of life at sea, as the *Sun* editorial points out.

We are deeply concerned about this matter. We believe that passengers on a coastal trip within Canada should have the same kind of protection that they get on a trip from a Canadian port to an American port. Certainly that one defect in the Canada Shipping Act should be removed—that is, the use of the phrase "from one place to another place." I ask that it be removed, because it is being misinterpreted by the shipping companies. Instead, I think those words should be "from the point of commencement to the farthest outward point", so that a ship carrying 50 to 250 passengers could go only 200 miles from the point of commencement to the farthest outward point without having a radiotelegrapher; a ship carrying from 250 to 500 passengers could go only 90 miles from the point of commencement to the farthest outward point, and a larger ship carrying 500 or more passengers could go only 20 miles from the point of commencement to the farthest outward point without carrying a radiotelegrapher.

It is quite possible that there might be some cases in which, by reason of the nature of the voyage, it is unnecessary to have a radiotelegrapher. In such a case the minister has power to grant an exemption. But the words I have suggested are the very words that the Department of Transport itself used in the fire regulations which were enacted on April 12 of this year. These fire regulations were put into effect as a result of the *Noronic* disaster and of the inquiry held by Mr. Justice Kellock. In paragraph 3 of the regulations hon. members will find this definition, under the head "Application":

These regulations apply to all passenger steamships—

I repeat that I am dealing only with passenger ships in requesting that a change be made in the act.

[Mr. Green.]

—registered in Canada employed in home-trade, inland or minor water voyages—

(a) which are certified to carry more than 25 berthed passengers or more than 50 berthed and unberthed passengers; or—

And this is the definition to which I refer particularly.

—(b) which do not carry berthed passengers but are certified to carry more than 100 unberthed passengers and the length of the voyage from the point of commencement to the farthest outward point exceeds fifteen miles or the distance from shore at any time exceeds five miles.

I am asking that subsection 2 of section 406 of the Canada Shipping Act be amended by substituting those words "from the point of commencement to the farthest outward point" for the words now found in that subsection, namely "from one place to another place". I should like to move:

That paragraph (a) of subsection 2 of section four hundred and six of the said act be amended by substituting for the words:

"from one place to another place" where they appear in clauses (i) (ii) and (iii) of the said paragraph, the following:

"from the point of commencement to the farthest outward point."

Frankly, Mr. Chairman, I probably should go further and ask for additional amendments to provide that the radiotelegraph operator must not be given other duties; but for the present I am moving this amendment in order to prevent the evasion of subsection 2 as it reads at the present time. I hope that the Minister of Transport will see fit to accept the amendment.

Hon. Lionel Chevrier (Minister of Transport): Mr. Chairman, may I take a few moments to deal with the amendment moved by the hon. member for Vancouver-Quadra? I am sure he does not for one moment take the position that the officers of the department are not seriously concerned about this section of the act dealing with the safety of life at sea along the coasts of Canada. I believe that was clearly established when section 406 and other sections were discussed in the committee on railways, canals and telegraph lines.

Dealing with the amendment, however, I think there are general considerations to be examined. The first is the present position so far as section 406 is concerned. That position, as dealt with by section 406, covers the domestic trade—and by that I mean inland shipping, great lakes shipping and coastal shipping. Then there is the other aspect dealing with international shipping and international voyages as covered by the convention.

It has been the feeling of departmental officers all along that there should be a distinction between the requirements necessary

for international voyages and those in respect of inland or coastal voyages. That position has always been taken, and is recognized generally in the Canada Shipping Act. It was taken with reference to the steamship inspection regulations to which my hon. friend referred a moment ago.

While I am on that point may I say that while the hon. member in his amendment uses the language of the steamship inspection regulations, there are many members on his side of the house who thought those regulations were much too stringent. Indeed, what we attempted to do when we enacted the steamship regulations was to take a middle course between international and inland requirements in order to protect ships of that kind.

Leaving that position for the moment, let me say that the coasts of Canada—and I am referring particularly to the west coast—are pretty well protected by radio aids. It was clearly explained in committee that there is a difference between the range and effect of radiotelegraphy and radiotelephony. An expert from the department in radio matters indicated that radiotelegraphy should be considered on long voyages, international voyages, and that in so far as they were concerned it was more effective than radiotelephony. He did think however that a distinction should be made in respect to great lakes shipping, inland shipping and coastal shipping. He was of the opinion that the radiotelephone was effective, provided that there was a sufficient range, for coastal operations; and he thought that that condition obtained in connection with the west coast.

Then there is the general view among technical men—and of course I am not familiar with it, but only state what they say—that great developments are expected in the field of radiotelephony.

Mr. Green: That would be a good time to make the change—after the developments have been completed.

Mr. Chevrier: But today developments in science move so quickly that before any change could be effected under the act we would be face to face with changes in the scientific field. That is why it was felt, after giving the matter careful attention, that there should be no change.

Let me assure the hon. member and the committee that the matter to which the hon. member for Vancouver-Quadra addresses himself in submitting this amendment was given the most careful consideration by the officers of the department. They heard both sides of the case, having received representatives of the industry and of the union.

Mr. Green: They did not hear the union people.

Mr. Chevrier: I have said that. After having given the matter consideration they came to the conclusion that there should be no change other than that contained in section 406(1) to meet the international convention.

While I do not want to repeat what was said in committee about coverage in the matter of protection of the west coast, I do wish to add this, if it will be of assistance to hon. members who have any fears so far as the amendment is concerned. I believe I indicated in committee that there was in the Department of Transport a continuing committee that dealt with amendments likely to be made from time to time to the Canada Shipping Act. In view of what happened in the standing committee, as well as what is happening in this committee of the whole, I have asked the officers to give this matter further careful thought. They are prepared to do this and to hear additional representations. If they come to the conclusion that a permanent radiotelegraph operator should be employed on the ships in the coastal service, they will so indicate to me during the course of the next year. If that is their view—because it is a technical matter—then I think I can be relied upon to bring in amendments to the Canada Shipping Act accordingly. As the matter now stands however, I regret I cannot accept the amendment.

Mr. Green: Can the minister tell me the difference, from the point of view of safety, between a so-called international voyage between Vancouver and Ketchikan and a coastal voyage from Vancouver to Prince Rupert?

Mr. Chevrier: The definition is set out in—

Mr. Green: But can the minister tell me whether there is any difference so far as the safety of the people on the ship is concerned?

Mr. Chevrier: If it is put on that general basis, then I suppose there is no difference between a voyage of that kind and one on the St. Lawrence, so far as safety is concerned. One never knows what is going to happen. Viewed in that broad sense, perhaps there is no difference.

Mr. Green: Is there any less need for protection in a voyage from Vancouver to Prince Rupert than in one from Vancouver to Ketchikan? According to the act, the ship going to Ketchikan must have an operator doing nothing but watching the radiotelegraph. Is there any difference between two voyages of that kind, so far as the fellow who is apt to be drowned is concerned?

Mr. Macdonnell (Greenwood): It is the same kind of water.

Mr. Applewhaite: I have no intention of repeating speeches I have made before, or of endeavouring to rehash the story told at considerable length by the hon. member for Vancouver-Quadra this morning. However, because I believe his amendment is justified, I am going to support it.

Mr. Beyerstein: Mr. Chairman, I find myself in agreement with the hon. member for Vancouver-Quadra. It is my view that the welfare of those who travel on a passenger vessel should be looked after to the greatest possible degree. The minister has said the department has to make some difference between international and coastal shipping. I would remind him that just as many people could be drowned on a voyage between Vancouver and Prince Rupert as on one between Vancouver and Ketchikan. The minister also made reference to the shore installations and the fact that the coasts were adequately covered with such installations. I would remind the minister that the shore installations would be no good whatsoever if a radiotelephone set on a ship broke down, unless a qualified operator was aboard who could repair it. At the whistle stops serviced by these coastal vessels there are no means of repairing these sets; as a general rule the only place where they can be repaired is at either end of the trip.

I see little difference between an international voyage and a coastal voyage in that respect. If there were facilities for repairing either a radiotelephone or a radiotelegraph at these stops there might be less necessity to carry a qualified operator, but a broken set is of utterly no value if anything should happen to a ship. In view of that I shall have to support the amendment.

Mr. Herridge: I was a member of the committee and we discussed this matter quite fully. Like the hon. member for Skeena, I am not going to take up the time of this committee by rehashing the arguments that were presented, because they have been covered fully by the hon. member for Vancouver-Quadra. Without question the hon. member is expressing the views of the people who live on the coast of British Columbia and who use these ships, and that is doubly evidenced by the fact that the hon. member for Skeena is supporting his contention. Possibly better than anyone in this house the hon. member for Skeena knows what the people who live on this coast and who use these ships want, and by supporting the amendment he is indicating that those people want a change because they are not satisfied with present conditions.

[Mr. Macdonnell (Greenwood).]

Mr. Macdonnell (Greenwood): I am ignorant of the conditions that exist, but I do want to make one comment. I cannot see why a voyage from Vancouver to Prince Rupert would be less dangerous than the other voyage, and it seems to me that that question put to the minister by the hon. member for Vancouver-Quadra has not been answered.

Mr. Higgins: At the other end of the dominion the same problem exists as has been outlined by the hon. member for Vancouver-Quadra. It is highly necessary that an operator be on duty on these ships at all times and not be burdened with the necessity of carrying on the duties of a purser or some other work. Safety at sea is an important matter, and the question of additional costs should not be considered.

Amendment (Mr. Green) negatived: Yeas, 24; nays, 39.

Section agreed to.

Sections 37 to 63 agreed to.

Schedule agreed to.

On the title.

Mr. Green: Is the government bringing in a resolution to provide for the acceptance of this convention?

Mr. Chevrier: I am advised that that is not necessary. The same procedure is being followed here as was followed when the Canada Shipping Act was amended in 1948, and when four international conventions were implemented by that amendment. The Department of Justice advises that this is sufficient.

Title agreed to.

Bill reported.

Mr. Chevrier moved the third reading of the bill.

Mr. Green: An amendment was suggested by an official of the Dominion Marine Association to which the minister and the committee agreed, but the minister has not moved that amendment.

Mr. Chevrier: I moved it in the committee to which the bill was referred and it was included in the bill.

Mr. Green: Should it not have been moved in the committee of the whole?

Mr. Chevrier: Not if the bill comes back amended. It was reprinted, and the section was called and passed as amended in the committee.

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

SUPPLY

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

DEPARTMENT OF RESOURCES AND DEVELOPMENT

National film board—

401. Administration, production and distribution of films, and other visual materials, including authority to finance temporary work performed for other public authorities or other agencies as the public interest requires, $2,092,413.

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Chairman, in view of the events which have taken place over the last six months affecting the administration of the national film board, it might be helpful to hon. members if I made a brief statement in introducing the estimates for the current year.

It will be remembered that on December 7 last I informed the house that the business administration of the film board was being examined by Messrs. J. D. Woods and Gordon Limited, a firm of business consultants. The committee will also remember that following a meeting of the board on December 15 a new film commissioner, Mr. W. A. Irwin, was appointed, effective February 1, 1950. These two moves, the survey undertaken by J. D. Woods and Gordon Limited, and the appointment of the new commissioner, have afforded an opportunity of assessing the value of the board's work, of taking steps to correct weaknesses which have appeared, and to some extent of charting the path of the board's future development.

It is fortunate also that the government, in considering the future of the board, should have the advantage of the advice of the royal commission on national development in the arts, letters and sciences, under the distinguished chairmanship of Right Hon. Vincent Massey, which has in recent months heard briefs presented by groups and organizations of all kinds in public hearings conducted in the principal cities across Canada.

On March 29 I tabled a copy of the report submitted by J. D. Woods and Gordon Limited. Hon. members have since had an opportunity to study the report and the recommendations it contains. It is not my intention to discuss in detail all the recommendations contained in the report, but I should like to make these observations.

The recommendations put forward in the J. D. Woods and Gordon Limited report fall into two main classifications:

1. Recommendations requiring legislative authority before they can be implemented.

2. Recommendations which could be implemented without legislative action.

None of the recommendations in the first category has been implemented to date, although a bill is now ready for consideration by the house. I am able to report, however, that progress has been made in implementing some of the recommendations in the second category. An announcement has already been made by the film commissioner concerning the appointment of three senior personnel of the board—director of production, director of technical operations, and director of distribution.

The board has taken over its own internal accounting. The number of individual accounts has been reduced from more than 5,000 to about 1,000, and a system of accounting on an accrual rather than a cash basis has been established. I would point out, however, that the treasury branch of the Department of Finance will continue to operate a cash account for the board to pay out and receive moneys on a cash basis.

One of the recommendations of the report was that the film commissioner should review every activity in which the board is engaged to see whether any of them should be curtailed or transferred to other government departments or agencies. In the course of the past four months the commissioner has had an opportunity of surveying the various divisions of the board. It is too early yet, in view of other reorganization suggestions put forward by the report, to say which, if any, activities can be transferred or curtailed. However, this question is being pursued, and in due course I believe some action can be taken with respect to this recommendation.

After reviewing the report submitted by J. D. Woods and Gordon Limited, I am sure that hon. members will agree that many of its recommendations are sound and reasonable. The report does not recommend status as a crown corporation for the board, but it does indicate that it should be possible to establish the board within the regular governmental organization plan, at the same time providing the flexibility which is felt essential for its efficient operation.

In general I can therefore inform the committee that many of the recommendations contained in the Woods-Gordon report which do not require legislative action are already being implemented with a view to improving the efficiency of the board's operations. At the same time careful consideration has been given to those recommendations requiring legislative action, and hon. members will shortly have an opportunity of considering a bill which is a complete revision of the National Film Act of 1939.

Shortly after taking up his new duties, the film commissioner asked for and received from the board permission to have a survey of the board's technical services and equipment undertaken by a qualified expert. As a result the services of a highly qualified technician, formerly connected with the J. Arthur Rank Organization, were engaged for this purpose. His observations have been most helpful and will guide the board in its future technical development.

I should like to say a word about security. On March 29 last I reported to the house that the screening of all employees of the board had been completed. At that time I said that three employees out of some 580 had been relieved of their duties for reasons connected with the screening. I have nothing further to report in this connection. The board is now a secure agency and is in a position to undertake work of a secret nature on behalf of all government departments.

During 1949-50 the efficiency of the board improved, with the result that greater production was achieved in all departments without increasing staff. Films were produced on a wide variety of subjects, including Newfoundland's entry into confederation, national parks, tourists, health, welfare and nutrition, resources and national development. One of the more outstanding productions of the year was an extraordinary film, "Challenge: Science against Cancer", which was made with the co-operation of the Department of National Health and Welfare and the National Cancer Institute of the United States Public Health Service.

Hon. members will be pleased to recall that the national film board again won an impressive number of awards for its films in competitions conducted in Canada and in other countries. The board received six awards in the Canadian film awards which are given with the participation of the Canadian Association for Adult Education. Awards were received from three film festivals in Italy, and others held in Brussels, Belgium, and Cleveland, Ohio. Two of the board's productions were included in a selection of the ten best 16 millimetre films of 1949 conducted by the *American Scholastic Teachers' Magazine*, New York city. The national committee on films for safety in the United States selected as the outstanding non-theatrical film in the occupational safety field the film "Safe Clothing", produced by the board for the Department of Labour.

The Woods-Gordon report comments favourably on the value of having a central body like the national film board to handle government photographic assignments. The report points out that the board, by getting government departments to pool their still picture requirements, has produced for those departments many useful photographs at reasonable cost. Demand for the board's films for use on television is growing in the United States and the United Kingdom. Of particular interest to television stations in the United States are the board's films on travel which are produced for the Canadian government travel bureau.

In presenting the estimates of the national film board for 1950-51, it will be noted that this year the total figure submitted is $2,211,017, which represents an increase of $153,607 from 1949-50. It will also be noted that this year only two votes are submitted as against four votes last year. This is in conformity with the Woods-Gordon report, which recommended one vote for operations and another for purchase of equipment. Members will find on page 260 of the estimates the details of services under various headings of administration, production of films, distribution, and so on. The increase to which I have referred is occasioned largely by a rise in administration costs due to increased salaries. An additional $50,000 has been provided for production of films. An increase of $33,319 has been provided for distribution of films to permit the supply of more prints to rural and urban areas, and replacement of existing prints both in Canada and abroad.

In conclusion I should like to say that in my opinion the national film board has made a successful passage through a very difficult period. It is a tribute to the high morale of the staff that the board has maintained and even increased both production and distribution during the year. The work of the new commissioner has already been reflected in the work of the board. The deputy chairman, together with the six others who sit with him on the board, have given freely of their time and effort and have made a really worthwhile contribution. Last December I expressed the hope that the film board would come to be regarded everywhere without prejudice as an important instrument in the expanding life of Canada. I feel that since that time the board has taken firm steps in that direction.

Mr. Fraser: There are a few questions I should like to ask the minister. First of all, an agent or representative of the film board was sent to the United Kingdom a short time ago. The Woods-Gordon report suggests that the external affairs department should handle this distribution in all countries but the United States, and I should like the minister to explain why this man was sent to Britain.

I should like to know also how the film board arrives at an overhead of five per cent this year as compared with ten per cent previously, when on page 27 of the report it is definitely indicated that the quarters and equipment, services, light, heat and water are provided by the Department of Public Works; telephone services are provided by the Department of Finance, accounting service is provided by the comptroller of the treasury, and so on. No accurate figure could be fixed in regard to overhead, and I am wondering why it has been reduced to five per cent and if the minister has any idea as to what would be the real overhead of the film board in producing their pictures.

At page 26 of the Woods-Gordon report it is indicated that accounts receivable amount to some $43,000, and that some of them are a year or more old. I wonder if any of those have been collected; and if not, why not? Also I have learned from fairly reliable sources, as I mentioned the other day, that a series of films were made for the Department of Agriculture out on the prairies but that they have never seen the light of day. I understand they were simply put in a vault in the Department of Agriculture or the film board, and have never been shown. If that is so, I should like to know the reason for it. I should like to know also the cost of the "Canada Carries On" series per year, and what is paid for that series by Columbia Pictures, who I believe are your distributing agents. Also I should like to know if any revenue is received from that series in any country other than Canada.

I should like to know for what departments of the government films were made in 1949, and what films are contemplated for 1950, as well as how many stills were made in 1949 and up to June 1, 1950; how many were sold in 1949 and how many in 1950.

I would ask if any co-operation is given the Department of National Defence in regard to the production of their films. I understand they make their own because as was stated in the house some time ago that department could not trust its films to the film board. The minister has said that this condition has been cleared up so far as the board is concerned, and I wondered if any different arrangement had been made. Then some departments have their own film liaison officers, and I should like to know how the film board works in with those departments in that respect.

Mr. Winters: I do not know whether I have all those questions, or whether we have all the details before us. The first question had to do with the distribution of films abroad by the Department of External Affairs. That was recommended in the Woods-Gordon report, and in some countries such as Mexico the distribution of film board pictures is at present directly under the Department of External Affairs.

Mr. Fraser: There has been a change, then?

Mr. Winters: That has been going on for a few years now, but at one time it was done by the film board. The arrangement in England was that the film board had an employee acting in its behalf there. He was taken ill, and is being replaced by another employee of the board, who has not yet taken up his duties in London. That arrangement has the approval of the Department of External Affairs. I feel that perhaps we can move further in the direction recommended in the Woods-Gordon report, and that is one of the matters under consideration.

The hon. member asked about overhead. It was reduced last year and is being increased again this year to make it more realistic in comparison with what is being charged by private companies operating in the field. We still have considerable work to do along that line before we can reflect an operation that is comparable to the private operators in the field, but that is one of the points under active consideration.

The hon. member asked about accounts receivable, whether any had been collected since the figure was reported in the Woods-Gordon report. The answer is that some collections have been made since that time. I believe the next matter the hon. member referred to was the allegation that certain films produced for the Department of Agriculture had never seen the light of day. I can find no support for that statement. There is a close liaison with the Department of Agriculture at the present time; four films are under production for that department, and to my knowledge none of those films, and none that has been produced in the past will fail or have failed to see the light of day.

The hon. member asked about the cost of the "Canada Carries On" series. It costs the film board approximately $120,000 a year. The films are distributed through Columbia Pictures, and the board realizes a revenue from the distribution. A further question was asked as to whether they are distributed outside Canada. The answer is that they are not so distributed as a series, but that occasionally they do find an outlet.

Mr. Fraser: What is the revenue in Canada from the series?

Mr. Winters: While that is being looked up I might refer to the number of still pictures produced. In 1949 the sales of photographic

prints were: to government departments, provincial departments of education and non-profit or educational organizations, 61,701, of a total value of $31,157.35; to publications, newspapers, advertising agencies and so on, at prevailing commercial rates, 1,288, of a total value of $2,981.10. I think that answers all the questions, with the exception of the revenue from the "Canada Carries On" series.

Mr. Stewart (Winnipeg North): While the minister is getting that answer perhaps I might comment upon some of the things said in the report, and also upon what has been said at other times by the hon. member for Peterborough West. In the past the severest critic of the film board has been the hon. member for Peterborough West, but he seems to be mellowing with advancing years. I appreciate the change. The pity is that all the arguments which had to be advanced in favour of the film board had to come from this section of the opposition rather than from the ministers who through the years have been responsible for the board. Only last December I had occasion to criticize severely an article which appeared in the *Financial Post* and which I described in somewhat colloquial though accurate terms as being a certain type of gossip. The allegations contained in the article in the *Financial Post* have been thoroughly disproved, if we can place any reliance whatever in this report on the national film board which has been submitted by J. D. Woods and Gordon Limited.

Looking over the recommendations, it is interesting to note that many of the proposals contained in the report came from the employees. I cannot believe that the employees came to these conclusions suddenly when they advanced them to this organization. They must have had these opinions for some years, and undoubtedly they must have passed them on to their superior officers. It appears, therefore, as though the government is the laggard in not acknowledging them sooner. Criticism has been made frequently of the alleged inefficiency of the film board, and there has been an element of merit in that criticism. When we are told again, as we are in this report, that the board has had to work in at least ten different buildings it can easily be understood why inefficiencies did exist. If the film board was compelled to do that, I do not think the fault can be attributed to it, but rather the fault again comes back to the government which is responsible for the care of its creature. What is more, the buildings for production in which the staff of the film board worked were not adequate, and had to be adapted to the purposes which the film board had in mind; that in itself would add to some extent to the inefficiency.

As to the costs of production, which have been so frequently criticized, I think it is only right that this section on page 5 of the report should be read:

> The board has had to do its film shooting on locations everywhere across Canada. This has been costly, due to the travelling and living expenses involved. Furthermore, the Canadian climate has made it necessary to do the bulk of the shooting during four months in the summer. Film production, therefore, has been not only costly, but also difficult to plan and control because of its seasonal nature. Another problem peculiar to Canada has been the necessity of producing films in both English and French.

Those facts were known to many people, and one would have thought their criticism might have been tempered by that knowledge. Unfortunately, such has not been the case.

There has been criticism of the film board because of its accounting procedure. Again this criticism, when directed against the film board as such, is quite unfair, because we are reminded in this report that the accounting of the board is handled primarily by the comptroller of the treasury. That statement is found on page 25 of the report. Lower down on the same page we find this statement:

> Since the comptroller of the treasury took over the accounting of the national film board some four years ago, there has been a considerable improvement in the accounts.

Nevertheless it is the treasury which has been responsible for the accounting, and not the film board.

Another matter upon which all members have expressed dissatisfaction I am sure has been the terms under which the members of the staff of the film board have had to work. They have been existing on three months' contracts, a very unsatisfactory way of working. I am glad to see that is now being stopped, and they are to be put on the same employment basis as other employees of the government. When the report mentions that the morale of the film board is high, and one considers the conditions and sometimes the criticism under which its personnel had to work, one is surprised at that comment.

There has been a campaign, perhaps a deliberately instigated campaign, against the film board, but that instigation has no place whatever amongst our citizens. The people of Canada, as we can see from the submission made to the Massey commission, are thoroughly behind the film board and what it has done. It has been supported before the commission by dozens of briefs from home and school associations, the Canadian Association for Adult Education, the Federation of Agriculture, the Canadian Citizenship

Council and film associations across the country. The rank and file of the people of Canada support the film board. It is only a few, as I say, who have attacked it, and there has been reason for it.

Canada has shown that we take second place to no other nation in the world when it comes to the production of documentary films such as the film board has given us. These films are in competition with private industry, especially the Hollywood industry. One of the reasons for the concerted attack on the film board has been that commercial interests in Canada, and in Hollywood, instigated them. Today the best way to attack is to smear. If you want to attack an organization or an individual, you conduct a smear campaign. The one way you smear is, of course, by labelling the organization or individual as communist. It is very easy, and it has been done far too often. I repeat what I said earlier, that the film board has not received the defence it should have had from the ministers in the past.

This question of communist allegations brings up the whole matter of security. I made my position and the position of my party quite clear yesterday. We believe that security precautions are necessary, but we must never forget that while security of the state is important, freedom of the individual is no less important. The minister has told us that after the screening had been completed, about three individuals had been relieved of their duties. He spoke in the past tense, so I intend to ask him if any are under notice just now, because of the screening which has just been completed. I want to remind the committee again that while security is important, the liberty of the individual is important too. I hope that ways and means will be found whereby security of the individual will be protected.

The question which I have specifically in mind is this: Are there any employees of the film board who are now under notice to terminate their employment because of the screening which has already been completed?

Mr. Winters: The answer, Mr. Chairman, is no.

Mr. Fraser: May I just say a word about the remarks made by the member for Winnipeg North? He mentioned my name, or at least my riding, and said that commercial companies were behind the attacks on the film board. I want to assure the hon. member and the house that no commercial company ever approached me in regard to the film board. I also want to say that I have no connection with any commercial film company. My sole purpose in criticizing the film board was an attempt to see that the film board becomes a film board producing pictures that are worthy of the people of Canada, and carrying out the duties it was intended to carry out. I had no other purpose. I do not think it was proper for the member for Winnipeg North to impute motives to any member, and I object to it strongly.

Mr. Stewart (Winnipeg North): Let me answer that, Mr. Chairman. May I say that if I imputed motives to the member for Peterborough West I certainly had no intention of doing so. I accept his statement categorically, and without reservation. I impute no motives to him or any other member in this house, but I do repeat that commercial interests in the United States and Canada have been responsible for much of the campaign against the film board.

Mr. Gauthier (Sudbury): Mr. Chairman, I should like to say a few words on this item, and not words of criticism. I want to commend the minister and the officials of his department responsible for a film made by the board last year concerning poliomyelitis in Sudbury. At the request of many medical men and service clubs in our district, as well as the Red Cross Society, I was asked to ascertain whether the national film board would consider spending a few dollars in making a film to show what can be done locally in connection with a matter of that kind. I am sure that this film is now being shown in all the communities across Canada. In cases of emergency, having to do with such dreadful diseases as poliomyelitis, and many others, I think the film board should be commended for the work they are doing to help the many communities.

Mr. Murray (Cariboo): First, Mr. Chairman, I would agree with the hon. member for Sudbury that the film is a tremendous educational factor and its use should be extended. I should like to ask the minister if he could not get a crew of camera people to go up into the Peace river district and there make a film showing the resources of the country, the land that is available for settlement, and the development that is going on, particularly the oil development. Just the other day at Whitelaw a well was brought in which is running six hundred barrels of oil per day. I doubt if on that country the film board has a film of the character which I outlined.

The Alaska highway is also a subject which should be filmed. Those films should be sent broadcast throughout America because the highway opens up a great tourist area there as well as an industrial area. The scenic features of the Rocky mountains, which are cut in three places by the Alaska highway, are superior to those in Switzerland;

yet little has been done to publicize that fact. The possibilities of the Yukon as a place for tourists and also for industrial development could be shown only by film. Some time ago I saw a film on the Peace river country made by the national film board. It was dated 1941. In the last ten years so many things have happened north of Edmonton that there has been a transformation of the entire country, and a film dated 1941 is not particularly useful in presenting the story as it is in 1950. I would ask the minister to direct his department to these parts of Canada which should be illustrated by the film board.

Mr. Fulford: I should like to quote a few figures in order to show what an important part the film board is playing in the life of the rural section of my riding. It was just a year ago that the film council of the county of Leeds was organized. Last winter no less than 87 public and continuation schools were given visual education through the use of national film board pictures. Those 87 schools represented ninety per cent of the rural schools in the county which are serviced with hydroelectric power. Besides, there are fifty adult audiences which are shown national film board pictures each five weeks. That means that there are over 1,000 students and adults who view the films each week. In my opinion that is a considerable audience. Not only do these films bring education to the school children of the county; they also bring education and enjoyment to a great many of the adult residents of the rural sections. Actually there are two sets of equipment in continuous use five days of the week, morning, afternoon and evening; and occasionally it is necessary to bring a third projector into service. Certainly the rural people of the county of Leeds are most enthusiastic about the services given by the national film board. Many of them have come to me requesting that every effort be made not to curtail but to increase greatly the activities of the film board in making more films available both for schools and for adult education.

Mr. Croll: May I say how highly pleased I am to hear the tenor of the remarks made today in the committee with respect to the film board. I want to follow in the mood of the hon. member for Sudbury and the hon. member for Cariboo. I want to make a plea to the film board to direct their attention to films that deal particularly with citizenship. The last one I saw that was made by the film board was slightly out of date; nevertheless it was an excellent picture. Large numbers of the people who are coming into this country may not be able to read for a while, and they may not be able to write; but they attend the films and they can see, and an impression is made upon them. There is a tremendous opportunity for us to spread the gospel to these people to push home a lesson to them, to let them know the meaning of freedom, what we mean by Canadianism, and what we expect of them in this country.

We are naturally gratified to hear the words of praise directed today to the film board. They deserve it, and I am sure that they will deserve it even more in the future. But through you, Mr. Chairman, I ask the minister to consider the suggestion I have made because I think the field I have referred to has been neglected.

Mr. Stewart (Winnipeg North): Can the minister tell me if there are any employees of the film board who today are under notice of dismissal?

Mr. Croll: He said no.

Mr. Winters: I answered that question before, Mr. Chairman. The answer is no.

Mr. Stewart (Winnipeg North): I know I asked if there were any under notice of dismissal for security reasons but are there any under notice of dismissal not for screening purposes, but for any purpose whatsoever?

Mr. Winters: I understand there are certain resignations pending, not for reasons related to screening. There is quite a turnover in the employees of the board, and the resignations that are pending have no relationship to screening at all.

Mr. Stewart (Winnipeg North): I am quite prepared to accept the minister's statement that they have no relationship to screening; nevertheless I think it is most unfortunate that these resignations should take place at such a time when screening has been so recently conducted, because it must leave a certain stigma upon those who are resigning. I do not think this is the time for people to choose to resign, let us say.

Mr. Winters: We have had that consideration in mind, of course. That is the reason why I was anxious to announce at the earliest possible date that screening had been completed, so that anybody who wished to retire after that, for reasons of his own, would not retire under the cloud of security.

While I am on my feet perhaps I should answer the final question the hon. member for Peterborough West asked. It was about the board's relationship to the Department of National Defence at the present time. I can assure the house that after the screening was completed and the board was declared a

secure agency, the normal relationships with the Department of National Defence were resumed. The most cordial relationships prevail, and we are as a matter of fact making one picture now for the Department of National Defence. With other departments of government the film board works very closely through the film liaison officers or any other officers who might be appointed to deal with the film board in respect to pictures made for the department.

In reply to the hon. member for Cariboo, may I say that a considerable amount of film has been produced on the north, which is a fertile field for filming, and I am hopeful that we shall be able to do something more in that district.

Item stands.

Progress reported.

At one o'clock the house took recess.

The house resumed at three o'clock.

SUPPLEMENTARY ESTIMATES, 1950-51

A message from His Excellency the Governor General, transmitting supplementary estimates for the fiscal year ending March 31, 1951, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

SUPPLY

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

DEPARTMENT OF FINANCE

General administration—

85. Departmental administration, $1,392,488.

Mr. Drew: Mr. Chairman, it seems appropriate that on the general administration item for the Department of Finance certain remarks should be made in connection with a subject which has been under discussion here on different occasions during the present session.

The public accounts committee has had a number of meetings, and is still sitting, but an interim report was tabled which dealt with certain recommendations made by that committee and certain evidence received by it. First of all I wish to make it clear that the interim report is not unanimous, and that while there are a number of recommendations in it which are useful and will be helpful to members of the House of Commons, and I would hope particularly useful to the Minister of Finance in the preparation of estimates for next year, the fact remains that there were certain important points put forward in the report which do not represent the views of some members of the committee.

The sittings of the committee have been useful in that, in addition to the discussion of the details of the public accounts, we had the advantage of recommendations by the Auditor General in regard to a great number of procedural matters which do suggest that important improvements can be made. One of the things emerging most clearly from the recommendations of the Auditor General was the emphasis on the fact that public accounts should be before members of the house, and estimates as well, in a form that would make it possible for hon. members to exercise supervision over public expenditures.

The recommendations were based quite clearly upon a recognition of the fact that the estimates and the public accounts as they come before the House of Commons and the examination and discussion of them in the house do not give to hon. members effective control over public expenditures unless they are so presented that hon. members are able to understand how the details are made up and to obtain the kind of information they should have.

One of the recommendations of the Auditor General was that the system of presenting the estimates and the public accounts should be simplified and information given in such a way that related subjects could be discussed with a knowledge of the facts behind the figures. One statement was prepared and placed in evidence before the committee which indicated the difficulty there is in dealing with the estimates in the way we now do.

An official of the Department of Finance prepared an analysis of the estimates now before us and of those for two other years, one of which was the last full year before the war. The information was broken down on what was described as a functional basis. It brought together related activities, and then accumulated the totals from each department.

What was apparent when those figures were brought together was the very large increase in a number of items out of all proportion to the increase in population of the country, or what would appear to be the normal business of government. Without attempting to review the whole of the statement, I should like to take a single item to show the extent to which expenditures have increased. Similar increases are found in many respects on almost the same proportionate basis as the one I shall now mention.

Under the heading of telephones, telegrams and postage, the total in 1938-39 was $960,248, whereas in the present estimates the total is $8,595,943. I shall not go into details of the other items, because similar increases, some on a larger and some on a smaller proportionate basis, occur right through this statement. I take that particular item to show how impossible it is from the practical point of view to examine the estimates here with any suggestion that we are actually performing an effective audit of the items and are in position to make specific recommendations in regard to reductions under one heading or another.

The total in regard to telephones, telegrams and postage is the combined total of the items in the estimates of different departments. We see a figure in front of us which requires explanation, but when dealing with each of these items separately it is impossible to say exactly what can be done in the way of reduction consistent with efficiency. It was for that very reason that we proposed an examination of the whole system of accounting and the organization of government by an independent body. That proposal has been disposed of by a majority vote of this house for the present session, but it will be renewed again in the hope that in the meantime the government will have seen the advantage of such a method.

But even if that course were not adopted, there is another course which I submit should be adopted. This is the time to put this forward because when the estimates are being prepared next year they will be prepared before we have an opportunity to express our views on the subject. If the estimates were submitted to a committee on estimates we would have the nearest approach that we could have within our parliamentary structure to that type of independent examination formally put forward by motion in this house. A committee on estimates could deal with the estimates of each department by bringing the officials of the department before it. They could bring the items together, examine them and see exactly how they are made up and find out if there were any substantial economies which could be effected to the advantage of the public service and to the very great advantage of the taxpayers of Canada. If we did that we would only be doing what every large business is doing year by year, seeking to find out ways in which business can be carried on more efficiently and at reduced costs through the elimination of duplication of services and through a careful examination of how expenditures are actually incurred and how they are made up.

Without any suggestion as to the improper use of these services under such headings as telephones, telegrams and postage, it is easy for everyone in this committee to understand how these things can get out of hand unless there is some effective measure of control. I do not believe that the Minister of Finance or his officials are better able to examine details of this kind in the very largest business in the country, the business of government, than are the experts in other types of business. They seek the examination by people who can examine from an objective point of view outside the actual organization itself.

We could examine details like this. We could examine details like travelling and transportation expenses which have grown from $4,742,206 in the last year before the war to $22,744,344 for the coming year. The Minister of Finance has said, "Point to single items where reductions could be made." That sounds like a practical suggestion, but except for the purposes of making a statement in this house every hon. member knows that it is not a practical suggestion. Every hon. member knows that the only way that members can obtain information which will make it possible to deal with this upon the basis of single items is to have a committee on estimates and also concurrently in the wider field an investigation such as we proposed in the resolution to which I have referred.

There has been a tendency during the present session when proposals were made for the appointment of committees of this kind to suggest that we are seeking to establish the system of government that is in operation in the United States and to depart from the practices described as British parliamentary institutions. Here is a case where that argument can have no validity because there is a committee on estimates at Westminster which has authority to call, and does call before it, senior officials and others who are in position to explain details and show exactly how the items are made up. On that basis that committee on estimates is able to make recommendations in detailed form.

What we are proposing is the adoption of a system which has worked satisfactorily for many years in a parliament which is described, outside the commonwealth as well as inside, as the mother of parliaments. Far from proposing any departure from traditional parliamentary practices, we are merely proposing that we adopt parliamentary practices which have been carried on successfully in that parliament from which we drew our general practices and traditions.

To sum up the items under the various headings, we arrive at a total showing that

the estimates for the last year before the war required a total of $549,219,048, while this year the estimates call for $2,367,480,478. When we suggest that economies can be effected the answer is given, as it was given just a few days ago, that a substantial part of the estimates of most of the departments is made up of items for services of a statutory nature which cannot be reduced. When that explanation is given it invariably overlooks the fact that wrapped in those total costs is the cost of handling services and that an independent examination might well disclose large numbers of items where reductions could be made in the handling of the services, to the advantage of the government and to the advantage of the taxpayers of Canada.

The proposals made by the Auditor General were not accepted in the report presented by the public accounts committee. I am not suggesting for a moment that the recommendations of the Auditor General should be accepted without question. I can see real arguments against reducing the number of items, as was suggested. I can see no arguments against simplification of the presentation of the accounts and the giving of greater detail in that part of the statement of estimates explaining the items found in the front part of the book.

Moreover, I have heard no sound argument put forward suggesting any reason why a committee on estimates would not be the best procedure for the year by year examination of the estimates. I do not think any argument was put forward before the committee suggesting any reason for not making the recommendation that there should be a committee on estimates to deal with estimates presented to the house in future. I also think the recommendation which was made with respect to explanation of details and steps being taken to give parliament effective, practical and real control over expenditures is one which should be emphasized and carried into effect.

I am making these comments now because the Minister of Finance is the minister primarily charged with the responsibility for the preparation of the estimates and the form in which we shall receive them. There is a lack of uniformity in the way in which they are presented. While the reduction of the number of items in some departments may be questioned, there certainly can be no such question in the case of the Department of National Defence where the bulk of the expenditure on national defence is included in a single item. Furthermore, the supporting details given at the back of the book do not explain these enormous expenditures, today approaching the total of the budgets of the government before the war, in a way that makes it possible for members to make any real examination of these estimates. If there is a single department which demonstrates the necessity for following a number of the recommendations of the Auditor General it is the Department of National Defence.

As I pointed out in discussion of its estimates earlier, it does not follow the same procedure as other departments in regard to the construction of buildings and other things of that kind, which cannot by any possible stretch of the imagination be regarded as secret. I urge the Minister of Finance to give careful consideration to the recommendations of the Auditor General. I hope that after consideration thereof he will arrange for the presentation of the estimates next year in a form which will be more understandable to members and which will follow some uniform pattern in each department so far as that is practicable. I hope he will also inform the house that he is going to agree to the setting up of a committee on estimates shortly after the opening of the next session.

All hon. members know that during the time we have sat here this argument has been before the other place and has also been discussed in public. Hon. members are also aware that not only in Canada but also in other nations of the commonwealth and in the United States there is constant emphasis on the fact that the greatest need today in the field of government activity is to find a way of exercising effective control over expenditure so that, with the enormous expenditures made by many agencies not subject to the ordinary supervision of parliament or even of government, the highest measure of accounting efficiency may be established and the most economical practices adopted. Many of those who have put forward these contentions have emphasized the fact that our whole democratic structure may break down unless we are able to exercise control of the amount of expenditure by so many agencies of the government as well as by the government itself.

For the very reasons that have been given it is not possible to deal with single items here. The public accounts committee deals with past accounts; a committee on estimates could deal with the present estimates before us and other estimates in the years ahead. The most that we can do now is to say that the system that has been adopted is one which denies that measure of detail which would make it possible to recommend reductions, except in a few simple cases. We must therefore urge a procedure which has worked well elsewhere, and would work equally well

here, so that in the future we may be able to consider the estimates with actual knowledge of the facts.

The question before the Minister of Finance and other members of the house is whether the machinery set up by parliament is to be machinery which will really carry on the business of parliament and the government in the most efficient way, or whether it is to be machinery which will be used for the purpose of hiding information. Those who have sat as members of some of the committees this year know very well that there are numerous instances of steps being taken to use the machinery now available for the purpose of hiding information instead of exposing it to the examination of members of the house. What we do should be for the purpose of reducing costs wherever costs can be reduced, for the purpose of increasing in every way the efficiency of the biggest business in Canada, for which members of the house are primarily responsible, and urging the taking of steps for next year which will make it possible for us to deal effectively with the estimates that come before us at that time.

Mr. Macdonnell (Greenwood): I want to raise one question with the minister which is really a matter of finance. When we were discussing the public works estimates the other night the question of commitments arose. I hope the minister is aware that it was then suggested, and I hope agreed, that the whole question of commitments might be dealt with in more detail on the estimates of the Department of Finance. I should like to know whether it would be more convenient to discuss the matter now or later.

Mr. Abbott: It might be as convenient to take it up now as any other time. The position with respect to commitments is this. As my hon. friend and the committee are aware, under British constitutional practice there is no limit to the commitments a government may make under contracts which will carry on in future years. The making of those commitments or the giving of those undertakings does, of course, imply that parliament will have to vote the necessary funds in succeeding years, and that in making such commitments the government of the day must feel that it is going to be in a position to implement them.

The practice with respect to commitments in the past has been varied, but my understanding is that where a specific amount has been voted, say in the estimates of the Department of Public Works, encumbrances would not be issued beyond the total of the amount voted. There was nothing to prevent commitments being entered into which would fall due in future years. The practice we have followed the last year or two of inserting specific commitment authority in a particular vote is for the purpose of limiting the extent of the commitments that may be made by that particular department for the particular purposes indicated. In the absence of such specific statutory limitation on commitments, the department of course would be perfectly free to make any commitment it saw fit. As I have indicated, the purpose of inserting a specific amount as commitment authority was to limit the department in the commitments it might incur. Does that cover the point my hon. friend had in mind?

Mr. Macdonnell (Greenwood): Yes and no. When we were considering the estimates of the Department of Public Works the other evening it became clear that there was a whole list of substantial commitments. We asked the minister to let us know to what extent those had been availed of, and my recollection is that the extent was comparatively trivial. So the question arose as to whether there was any need for these substantial amounts, running into many hundreds of thousands of dollars earmarked against various items, or whether it might not be more sensible to have a common fund.

I digress for a moment. I am a little surprised—perhaps I took it up wrongly—to hear the minister say there is nothing to prevent a department making commitments of any size; that is, I suppose nothing except common sense. Does the minister mean that literally?

Mr. Abbott: That is quite right. There is no constitutional limitation on the minister of a department, with the approval of the government, entering into contracts for any amount he sees fit.

Mr. Macdonnell (Greenwood): I suppose I understand the sense in which the minister makes that statement. It would not mean a thing except the hope that later on parliament would grant those amounts. I find it a little difficult to understand the minister's explanation that this really is not an enabling provision but a limiting provision.

Mr. Abbott: That is exactly what it is, and what it is intended to be.

Mr. Macdonnell (Greenwood): Then I would ask the minister what in point of fact was the practice before this commitment provision came in? Frankly I do not think the Minister of Public Works quite regarded it in that sense. It seemed to me he regarded it as merely some additional leeway given to his department if it should find itself pinched here and there. Let me put a specific question. What is the objection to having a common fund for these purposes? Let us

turn, for example, to page 43 of the estimates, under public works, where we have a whole series of commitments totalling some $610,000. What is the objection; or in the minister's view would there be no advantage in having one common fund which would be available, bearing in mind the fact that, as I say, apparently these commitments under public works were very little availed of?

Mr. Abbott: I am not sure that I am quite clear just what my hon. friend has in mind by a common fund. As I indicated a moment ago, the practice with respect to the use of commitments varied a good deal in the past, and varied as between different departments. In considering how these matters should be dealt with, and taking into account the fact that extensive construction projects, for instance, in some cases may go on over a number of years, it is quite clear that a department such as public works should be in a position to in fact give undertakings or make commitments for future years. As my hon. friend has indicated, this implies that parliament will be willing to vote the funds in the years they are required for payment. It is true that the commitment authority in public works has not been too extensively availed of; I have a list here of the votes in the main estimates, indicating the extent to which that commitment authority has been utilized. If my hon. friend would like me to place it on *Hansard* for purposes of illustration I shall be glad to do so. It is for 1949-50, the year to which I think my hon. friend referred. The list is as follows:

Department of Public Works Commitment Authority 1949-50

Vote No.	Name of Vote	Amount
328	Maintenance of public buildings..	$500,000
	Encumbered .....(repairs)	107,000
329	Public bldgs., outside Ottawa	500,000
	Ottawa bldgs.	67,000
333	Maritime provinces	100,000
	Encumbered	nil
334	Quebec	100,000
	Encumbered	53,000
335	Ontario	100,000
	Encumbered	nil
336	Manitoba	50,000
	Encumbered	nil
337	Saskatchewan	50,000
	Encumbered	nil
338	Alberta	50,000
	Encumbered	7,000
339	British Columbia	50,000
	Encumbered	nil
347	Public bldgs. generally	200,000
	Repairs, alterations, etc.	
	Encumbered	nil
	Harbours, Rivers, Maintenance Wharves	
367	Prince Edward Island	35,000
	Encumbered	7,000
369	New Brunswick	65,000
	Encumbered	15,000
370	Quebec	125,000
	Encumbered	nil
371	Ontario	75,000
	Encumbered	nil
374	British Columbia	75,000
	Encumbered	nil

The practice now in connection with public works expenditures, as the committee is aware, is to indicate in the details the estimated cost of the various public projects by provinces. A lump sum is voted, which represents the best estimate the department can give as to the amount of money that actually will be expended on all those projects in the particular fiscal period. If that proved insufficient it would be necessary, of course, to get a supplementary vote. In their experience it has been found that if they were to list one hundred different projects such as wharves, breakwaters, public buildings and so on, some can proceed more rapidly than others, and if they are restricted to each individual vote there is a substantial overestimate of what will be the probable expenditure. In addition to that, in the public works estimates there is specific authority to incur commitments for future years; but, as I have said before, that is intended as a limitation so the department will not place contracts now extending into future years beyond the amount indicated in the particular item.

Mr. Macdonnell (Greenwood): Then one further question in this connection. Will the minister look at item 357 of the public works estimates, which indicates a somewhat different practice, though possibly it does not cover the same situation. The minister will see that the amount is $150,000, and the item reads:

> To provide for balances required to complete any propects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1950-51.

That looks like a kind of mopping-up operation.

Mr. Abbott: Of course the Minister of Public Works would have more information on this than I have, but I am told that is to cover a number of smaller projects where amounts were being carried forward which would need revotes if reference were made to the specific items in previous years. These would be amounts of $500, $1,000, $750, and so on; so it is a sort of mopping-up operation, as the hon. member said.

Mr. Browne (St. John's West): In the course of his budget speech the minister made this reference at page 1214 of *Hansard*:

> But I think it is fair to remind the house that during the past year and over the next few years the accession of Newfoundland to Canada has imposed and will continue to impose a considerable net burden on the federal treasury.

Since this has given rise to some editorial comment in the Newfoundland papers I should like to make brief reference to it. This is not intended as criticism, because I do not think we have sufficient facts to be able to comment upon it in that way.

Mr. Abbott: My hon. friend knows what I said immediately after that statement.

Mr. Browne (St. John's West): Yes; I have read all the remarks the minister made, including the reference to the saving of several million dollars on the sterling debt you took over.

Mr. Abbott: No saving there.

Mr. Browne (St. John's West): From $62 million to $52 million. It cost you $52 million and you took over $62 million. There was also a benefit in United States exchange of about $40 million, and there was the increased trade in the internal market through the diversion of about $25 million worth of imports from the United States to the other provinces of Canada. What I want to do principally is to ask the minister if he can prepare a statement showing the actual expenditures corresponding to the items in the supplementary estimates from No. 666 to No. 745. Those are the estimates for expenditures in Newfoundland. I do that particularly for this reason. As the minister must be well aware there is a provision in the terms of union for the setting up of a royal commission within eight years. It is going to be less than eight before it will be necessary to have that royal commission, and I would suggest to him that a careful record be kept of the actual expenditures and the moneys received as a result of the union.

Mr. Abbott: As I think my hon. friend will see on reflection, it is not possible to accurately pinpoint the items to which he refers in the supplementary estimates, because the cost of those services is absorbed in the regular departmental vote. It would be quite impractical to maintain separate accounts for Newfoundland or individual provinces. One can make estimates, of course, as to the revenues from a particular part of the country, but it is impossible to give definite figures.

The sales tax, for instance, with respect to sales in Newfoundland is collected at the manufacturers' level or the wholesalers' level, and in some cases would be collected in Quebec, Ontario or some other province. One cannot state with complete accuracy what revenues are derived from any particular part of Canada, other than the moneys that are paid into a particular customs house.

[Mr. Browne (St. John's West).]

Mr. Browne (St. John's West): What about the income tax?

Mr. Abbott: Income tax collections, of course; and those statistics are published each year with respect to the different provinces, except for corporations. Any information that can be obtained, of course, I shall be glad to get.

Mr. Browne (St. John's West): I should like to give one illustration of what I mean. Under the votes 704 to 709 there was $3,620,000 voted last year of which only $900,000 was expended. Therefore, I think it is important for the minister to do the best he can to keep a record—I do not expect him to be accurate.

Mr. Abbott: Was that last year?

Mr. Browne (St. John's West): Yes. So far as sales tax is concerned, there was an estimate of $4 million. Comment in the Newfoundland press says that amount was underestimated, as were other amounts, and that the correct amount is probably in the neighbourhood of $8 million. I was going to ask the minister if someone in his department could prepare a statement showing how that $4 million was estimated.

Mr. Abbott: I shall be glad to see if I can get the information as to how the estimate was made. Nothing is better than proven results, however. We are now over the first fiscal period in which Newfoundland has been a province of Canada. From here on we shall not have to rely on estimates, so far as income tax receipts are concerned.

Mr. Browne (St. John's West): But the sales tax?

Mr. Abbott: It will be more difficult with the sales tax, because we shall have returns of sales tax collected from wholesalers in Newfoundland, but it would be difficult to segregate the parts which would have been paid by residents of Newfoundland but which would have been collected in other parts of Canada.

Mr. Quelch: Will the minister make a statement on the apparent shortage of venture capital in Canada? The other day I referred to a statement made by the deputy governor of the Bank of Canada, in which he stated that thrifty Canadians had increased their savings by $3 billion in the past four years, and were increasing their savings at the rate of $400 million a year. These savings were adequate to meet the investment needs of Canada, but apparently Canadians were not prepared to take the risk. Consequently the United States investor is stepping in to put money into the resources of this country.

The situation has now developed where 50 per cent of the dividends of all corporations in Canada are being paid to non-residents. Is the minister considering taking any steps to encourage people to invest their money in the resources of Canada?

I suggested that it might help the situation if the government were to refund part of the maturing dominion bonds through the Bank of Canada. This would increase the amount of investment capital and would also help in reducing the national debt, and consequently the rates of tax; that in itself would help encourage investing. It seems as though the financial institutions of this country are far more interested in investing money in bonds than in investing money in the resources of the country. We hear members deplore the fact that we have adopted a form of paternalism towards the people of this country, but it does seem to me that we have done that to a far greater extent towards our financial institutions. They apparently require a government guarantee against loss before they are prepared to make an investment in such things as farm improvement loans, housing, or business loans for veterans. Surely our own financial institutions should be prepared to show a more venturesome spirit. If it were not quite so easy for them to invest their capital in bonds, then they might be prepared to enter the legitimate field of developing the resources of this country. If the United States investors are prepared to do it, there is no reason why the Canadians should not be prepared to do it.

I suggested also that it might be worth giving consideration to setting up the securities commission, or an investment advisory board, on a voluntary basis. Then companies desiring to obtain capital could apply to this board, pay a licence fee, and a statement of their circumstances would be published. It would help to give the people who are desirous of investing money a better understanding of the proposition being placed before them. Has the minister given any consideration to that?

Mr. Abbott: Yes, I listened with a great deal of interest the other day to the useful speech that was made by my hon. friend from Acadia. I am just as interested as he is in encouraging venture capital. I think that capital should be perhaps more venturesome than it is. So far as the government is concerned, we have taken some measures to encourage it to be so; the ten per cent tax credit on dividends, the reduction of the income tax on small business corporations and the liberalization of investment powers of insurance companies and trust and loan companies, which passed this house a few days ago, and so on.

As every member of this house knows, we have been in the midst of a capital investment boom in this country over the last three or four years. Actually the proportion of our national income that is going into capital expenditures today is higher than ever before in the history of Canada, and I am told higher in proportion than any other country in the world. I think that is a satisfactory situation, and I am glad to see it happen. I think most of it is going into enterprises which will make for greater prosperity. I do not think it is entirely fair to say that either Canadian individuals or Canadian financial institutions are lacking in a venturesome sprit or a desire to invest in Canadian enterprise.

Mr. McLure: I should like to draw to the attention of the minister a statement he made not very long ago, that if the committee wanted information it was their duty and the duty of the opposition to ask as many questions as possible to secure that information. That was a proper thing for the Minister of Finance to say, and I hope this committee will take advantage of it today.

There is one item in particular which I brought up at every session. I want to compliment the minister for giving us that information in a more comprehensive way. I refer to the amounts we are asked to vote, namely, $8,774,178, or almost one-third of the total amount of money voted, and for which we have no details, except that we can find out how many temporary employees there are. We were never given that information before, and I want to congratulate the minister on giving us those details. What I should like to know—that is, for another year; we cannot get it now—is this. According to the record that I have here in the detail, there are 4,318 temporary employees, and these receive the average salary of a little over $2,000 per year. I think it would be quite in order for the department to put in a list, the same as they do with the regular civil servants, showing how many of these were economists, how many were supervisors and so on all through the various categories, showing what they are working at and what are their salaries.

We have not any account of that whatsoever. When a little over 30 per cent of the total vote is there as a blank cheque, I think that we should get some information about this matter. I raise the matter again because, as I said, in the last four or five years we have gained this much. We now know how many temporary employees there are. We

never knew that before. If we can now get information as to what salaries they are receiving, from that we can possibly find out whether more of them should be made permanent or not. I always wonder how it is that so many of them are carried on year by year—some of them for ten, fifteen and twenty-five years—as temporaries and have never been made permanent. That, however, may be a special arrangement of the Department of Finance.

As I said a moment ago, there are 5,733 employees, and of those 4,318 are listed as temporaries. While it may not be a great factor in the department to give these details, I think it should be of great interest to this committee to have the details concerning an item which accounts for one-third of the total vote.

Mr. Abbott: As to the information that my hon. friend is interested in, I am sure it is available. I shall be glad to give consideration to his suggestion. There is of course a mass of information available with respect to each individual vote. If all of it were to be printed, the book of estimates would run to a fairly extensive size. One has to select which information is of particular interest to hon. members and try to make that available. If any particular information is not printed and if it is asked for, it will be obtained as soon as possible. I think the change this year was as a result of the suggestion made by my hon. friend last year; I refer to classifying the number of permanents and temporaries.

Mr. McLure: The department could say that there are ten clerks at an average of $3,000, for instance.

Mr. Abbott: That is quite right.

Mr. McLure: They could also say that there are five economists—

Mr. Abbott: That is quite right.

Mr. McLure: —and ten superintendents. That is all we want. We do not want the details of names and so on.

Mr. Abbott: That is quite possible.

Item agreed to.

Administration of various acts and costs of special functions—

87. Superannuation and retirement acts, administration, $188,700.

Mr. Herridge: I just want to speak for a few minutes on this item, although I had intended to speak for forty minutes. The parliamentary assistant has been over here and he has sort of worn me down.

Mr. Macdonnell (Greenwood): He is not going away too, is he?

[Mr. McLure.]

Mr. Herridge: I want to refer to a small group of people in this country who suffer a certain hardship and injustice by the present superannuation act and the regulations. I have run into an occasional case here and there, and I am just bringing this matter to the attention of the minister to see whether something can be done to amend the regulations or order in council or anything of that sort, just in order to take in a small number of people, as far as I can see, who are affected in various departments of government.

I am just going to mention one case in order to illustrate the situation. In the city of Nelson we have a young man who has been twenty years in the employ of the post office. He was eight years in the employ of the postmaster before the post office was made a revenue post office. Then it was made a revenue post office and he became a civil servant; and he has been twelve years a civil servant. When he became a civil servant he was allowed to come under the superannuation act, I understand, as were the postmasters. But at that time neither postmasters nor clerks were permitted to pay up back superannuation for the years they had previously been employed. But since that time, owing to the order in council that was passed on December 24, 1948, I understand the postmaster has been permitted to pay up his superannuation for all the years he has served the government, even including the time prior to his actually being a civil servant. There are in that post office a few men who paid superannuation since but who are not permitted to pay their back superannuation as the postmaster did. One of these young men has contracted an incurable disease. He has been in hospital for six months and cannot possibly live but a short time longer. He is actually dying at the present time and because of the provisions of the superannuation act, his wife is left with that limited amount of security.

I want to ask the minister if he thinks it is possible for this matter to be given consideration, not only for the sake of this unfortunate civil servant but for that of a small number of others also who are willing to pay up their superannuation in order to provide their wives with a satisfactory security. The sad part of this case also is that this young man's sick leave allowance has now also been discontinued by the post office, so that he and his wife are absolutely flat after his having worked for this country as a civil servant for twenty years. I should like the minister to make a study of the situation.

Mr. Abbott: I shall be glad to do that. My hon. friend and I have had a little bit

of correspondence, I think, about the case to which he has referred.

Mr. Herridge: Yes.

Mr. Abbott: With the pressure of other matters, I do not know that I have answered his last letter, but I have been looking at it. As he, of course, realizes, the difficulty is this. Employees of revenue postmasters were at no time government employees. I know the situation because my grandfather and my uncle after him were revenue postmasters for a great many years. The system there is that the postmaster gets commission on his stamp sales, his money orders, box rentals and so on, and he hires and pays his own staff. That is the traditional position of the revenue postmaster. His employees are not, during the term of employment, government employees and never were. He of course at all times has been a government employee. That is the distinction between the postmaster and the people whom he hires. But I shall be glad to study the situation to which my hon. friend refers and to see whether anything can be done.

Mr. Herridge: Thank you.

Mr. Knowles: I hope the minister, despite the heat and the time of the session, is ready to discuss in some detail the question as to providing a cost of living bonus or some other supplementation for superannuated civil servants, especially for those whose pensions are in the lower brackets. It certainly is not necessary for me to speak at length on this matter, because I have spoken on it a good many times. I am sure the minister must be prepared. He must have known that when this item was called I would have something to say about it. Fortunately I came into the chamber just in time for this item. We have just concluded another meeting of our committee on old age security, and I came directly here, although I did not know that we were going to reach this item quite so soon.

As the minister knows from figures that have been placed on *Hansard,* there are quite a number of retired employees of this government whose pensions are a disgrace. I am looking at the answers to questions of mine as recorded at page 834 of *Hansard* of March 16, 1950. I find that, as at February 28, 1950, there were 253 retired civil servants on pensions of less than $20 per month.

Mr. Abbott: Some probably with extremely short service.

Mr. Knowles: And they will live a very short time on that sort of pension, too. There were 498 whose pensions were $20 or over but less than $30 a month. There were 677 whose pensions were $30 or over but less than $40 a month, and so on. All told there are 4,584 retired civil servants whose pensions are less than $80 a month. The table at page 834 gives more details on that, but I have picked the $80 figure because it is the old age pension figure for a man and wife, both on pension, at the present time.

As I have said there are 4,584 retired civil servants of the federal government whose pensions are less than that amount. In addition there are 871 widows of retired civil servants whose pensions are less than $20 a month, and there is a total of 2,516 widows of retired civil servants whose pensions are less than $40 a month. I take that $40 figure for widows because that is the old age pension for a widow, by herself.

The minister knows this whole problem has been brought to his attention a good many times. Indeed, it was first brought to the attention of the Department of Finance when Mr. Ilsley held the finance portfolio, which means that it has been on the desk of the present Minister of Finance ever since he took over the department. He gave it a fair amount of consideration early in the game, but that seemed to end with the issuing of a statement which indicated that the government felt it should not do something which was not being done generally by others who paid pensions to retired employees. I have pointed out on other occasions that at least three governments I know of are paying supplementary amounts to their retired civil servants. The three I have mentioned are the governments in the United Kingdom, the province of Newfoundland and the province of Saskatchewan. There may be others of which I am not aware; but at least these three do something for their superannuated civil servants, especially those in the lower brackets.

The plan of supplementing civil servants' pensions so far as the United Kingdom is concerned began back during the war years when the coalition government was in power, and has been continued and in fact amended upwards since the Labour government took office. So there are at least three governments that recognize that, despite the contractual nature of civil service pensions, they have a responsibility toward their former employees.

I might point out that, small though it is, the Canadian Pacific Railway makes a small addition to the pensions of their employees who are in very low brackets. That supplementation applies only between the time an employee goes on pension and the time he qualifies for old age pension. It is not all it could be, but at least it is a gesture on

the part of that railway company. My colleague from Kootenay West tells me that Consolidated Mining and Smelting Company does the same thing.

Even if there were not any examples of other employers doing this sort of thing, it seems to me there is a moral responsibility resting upon the government to give a lead to other employers. However, there are these examples and I think that, rather than lag behind provincial governments such as Newfoundland and Saskatchewan, where their resources are limited, this federal government should be taking the lead in an important matter of this kind.

As the minister knows, and as I am sure hon. members in all parts of the house know, this is something of such concern to the people affected that they have organized themselves into associations in various parts of the country. There is a very active branch of their association in Quebec city, as well as in Montreal, Toronto, Winnipeg, Vancouver, Victoria, and a group of them here in Ottawa. These associations and their various branches have made their representations from time to time to the government. They have also been in touch with their various members of parliament, particularly those members from the areas where these associations are organized.

In other words members of parliament generally, from the correspondence they have received and the representations made to them, must know just how serious is the plight of these people and how strongly they feel that they have a moral claim upon the government, their former employer, to do something about the situation. They have been assured many times by various members of the house that consideration would be given to their plight. I remember on one occasion making the statement that particularly during the last election compaign, many Liberal candidates in British Columbia assured their constituents that they would go to bat on this question. At that particular point the hon. member for Coast-Capilano interjected something to the effect that he had not made any such promises. As he knows, he has since received a letter from one of the associations at the coast reminding him of the promise he made to them in a letter concerning this matter. I know he has received such a letter because the same association wrote to me a letter with which they enclosed a copy of the letter sent to him. I have not that letter with me because, as I have said, I have just come from the committee on old age security and have not had time to go to my office to get my file. However, I just wish to make the point that hon. members generally, and particularly at election times, in those centres where these people are concentrated, have felt that their plight has been sufficient for those hon. members to give varying grades of assurance that they would go to bat for those people in parliament, or by making representations to the government. I feel that the case has been brought forcefully to the attention of the government, and that it has been done repeatedly. In the past delegations have appeared before the minister, and it does seem to me that on moral grounds in this year of 1950 there simply is no excuse for an employer as well off as the federal government to be paying to any of its former employees pensions as low as $20 or $30 a month, and these various other figures I have mentioned.

I am familiar with the argument about the contractual basis of these pensions, but I suggest that that argument disappears when one realizes what has happened. The value of the dollar and the whole question of our economic situation is at least to some extent under the control of the federal government. These people feel that they are getting back now—from the fund into which they put their contributions—dollars which are by no means worth what the dollars were worth that they put into that fund, and they contend that the argument by the government about the contractual aspect of the matter does not hold at all.

I need not extend the argument. The case has been well put forward by these people in their letters to the government and to members of parliament. The case has been well put forward by representatives of these branches who have come to Ottawa and have waited upon members of parliament. I am sure many hon. members who are listening to me now will recall that those representations have been made to them both by letter and in person. I trust that other hon. members in all sections of the house will support me in this plea to the minister to give favourable consideration to the request that something be done to supplement the pensions of these retired civil servants, particularly in the case of those persons whose pensions are in the lower brackets.

Mr. Browne (St. John's West): If the minister is not going to reply I would draw his attention to one phase of the situation in Newfoundland. When people have been pensioned by the provincial government they receive a cost of living bonus because the cost of living is 80 per cent above what it was in 1939.

As one who had something to do with getting that, as president of the civil service association for 15 years, I know how people

feel when they do not get it. I had a case drawn to my attention of a postmistress who was pensioned and who had to wait six months before she got her pension. When she got it she found that she was not getting the cost of living bonus. Is the minister in a position to tell us anything about that matter? It has been brought to his attention before.

Mr. Abbott: My hon. friend will recall that service in Newfoundland is added to service of the civil servant for Canada, and the appropriate pension is paid. The provincial government of Newfoundland in effect pays the portion of the pension attributable to the Newfoundland service and the federal government pays the difference. I do not think that special rates could be made with respect to pensions payable in Newfoundland. The terms on which the pensions are payable were fixed by the terms of union and confirmed by the statute. I would not think it would be feasible to have one level of pensions in one province of Canada and another level in the other provinces.

Mr. Knowles: But it would be feasible to make arrangements by an item in the estimates, or better still by legislation, to provide a scale of supplementation across the country which would make possible a greater percentage of increase for those in the lower brackets. I hope the minister will not try to get this item through without discussing it.

Mr. Abbott: I do not want to get it through without discussing it and I shall be glad to discuss it. I think I can discuss it very shortly by saying that the government's position has not changed from that indicated in the statement I made last year. I know my hon. friend is intensely interested in this question. Among his other attractive qualities he has the capacity of repeating at intervals practically the same speech—I do not blame him—perhaps in the hope that the government will change its mind. But there would be no purpose in repeating my speech of last year on this matter because in substance it would be exactly the same. As I say, there has been no change in government policy on this matter and so far as I am aware no change is contemplated. I cannot go any further than that.

Mr. Macdonnell (Greenwood): The only recommendation I can make of my speech is that it will not be the same because I have never spoken on this subject before. I sympathize greatly with the minister's problem and I am sorry that I do not remember the details of his speech last year. Assuming that the minister is aware, as I think he probably is, that there is a great deal of distress among the people referred to by the hon. member for Winnipeg North Centre, should he not make some statement? I know the minister cannot be Santa Claus to the whole world and if he tried to be I would be the first to criticize him. But if he could say something on this matter it would perhaps relieve the feelings of the people concerned.

Mr. Abbott: I am sure that my hon. friend is as fully aware of the situation as I am. The civil service superannuation system of Canada is one of the most generous and favourable, if not the most favourable of any in the country. As has been indicated by my hon. friend, it is a contractual obligation. There are thousands and thousands of Canadians who have to provide their own social security and old age retirement fund by buying insurance, annuities and so on out of their own earnings and on a basis, if I may say so, somewhat less favourable than that enjoyed by civil servants. I have never felt that it was fair to the taxpayers of Canada as a whole that the civil servant who is entitled to benefits under this excellent and generous and fair superannuation plan should be on a preferred basis as compared with taxpayers generally.

Mr. Macdonnell (Greenwood): I think the minister is perfectly right and I am going to congratulate myself upon having induced him to make such a speech.

Mr. Knowles: At the risk of getting another compliment from the minister of the kind that he paid me a few moments ago, and although he may think I have made the same speech over and over again a little too often, I would remind him that it is quite a while since he made a speech on this subject.

Mr. Abbott: I speak only when I have something new to say.

Mr. Knowles: This matter came up in December toward the end of the session last fall and the minister's comment at that time was nil. There were only three speeches—my opening remarks, then a speech by the hon. member for Vancouver-Quadra and one by the hon. member for Peace River, and then the item carried. When we got back here for this session I raised the matter on March 21. On looking over my speech in *Hansard* I find that the minister is correct, that what I said today is similar to what I said then, only that the figures have been brought up to date. At that time we were dealing with supplementary estimates or interim supply, and the minister complained about my raising the question at that time.

I quote from the minister's remarks as reported on page 975 of *Hansard* of March 21, 1950:

I would be very glad to discuss this or any other question at length when my own estimates are called, which I think would be the more usual time to do it. We have done it in the past and I shall be happy to do it again,—

Mr. Abbott: My hon. friend has discussed it at length; that is what I referred to.

Mr. Knowles: I continue with the minister's remarks:

—but I think that is really the time, not when we are asking for approval of an item of $63,000 to provide for a too-conservative estimate of the government's contribution to the superannuation fund.

As I say, that was either on supplementary estimates or interim supply back in March and on that occasion the minister persuaded the house to put off the debate.

Mr. Abbott: When my hon. friend made his speech a minute ago I listened with my usual attention. I did not try to curtail the debate but I do not know why I should stand up here and keep on repeating the same thing.

Mr. Knowles: I am trying to get the minister to make a speech so that we may have his comments on the question. If there are any arguments that he can advance, then we can endeavour to answer them. The minister has referred just now to the generosity of the civil service superannuation scheme. I admit that that would apply to the scheme now in effect; I admit readily that civil servants who are now contributing to the various funds have a prospect of looking forward to fairly good pensions; but surely the minister does not contend that it is generous in the case of people who are now retired and who are receiving a pension of less than $20 per month.

Mr. Abbott: Supposing they had other resources which they presumably might have built up before they came into the government service? Those should be taken into account. A number of the people my hon. friend has referred to have had very limited service, perhaps of only a few years. They may have been engaged in other occupations before they came into the service and may have made provision for their own future from their earnings.

Mr. Knowles: If these people were in that position they would not be worrying their hearts out and going to the meetings of the associations which they have organized in order to try to get somewhere with their plea for consideration of their plight. The minister knows that I am not putting up a plea for those who have other resources or for those who are well fixed, but I do think that there is a moral claim that these people have, particularly those who are in the lower brackets. If the only comment the minister has to make is to compliment me for the kind of speech I make, then I shall have to continue making that speech twice a year in the hope that in time it will wear him down.

Item agreed to.

Administration of various acts and costs of special functions—

88. The Bank Act—salaries and expenses of the inspector general of banks' office, $28,400.

Mr. Macdonnell (Greenwood): I presume the bank inspection involved here has to do only with the chartered banks. Who inspects the Bank of Canada? Does the minister inspect it?

Mr. Abbott: The Bank of Canada is audited by its auditors. The auditors who inspect the Bank of Canada are appointed by the governor in council under the statute.

Mr. Macdonnell (Greenwood): Who are they?

Mr. Abbott: They rotate from year to year. I will get the information in a moment.

Item agreed to.

Administration of various acts and costs of special functions—

89. Administration of the Farmers' Creditors Arrangement Act, 1943, and the Municipal Improvements Assistance Act, 1938, $34,202.

Mr. Macdonnell (Greenwood): I should like an explanation from the minister about the Farmers' Creditors Arrangement Act. What is the size of the operation at the moment? My impression is that it must have greatly dwindled, and I should like to know where it stands. I should also like to learn something about the Municipal Improvements Assistance Act.

Mr. Abbott: The extent of the operation under the Farmers' Creditors Arrangement Act is pretty small. Of course it only operates in Manitoba, Saskatchewan and Alberta. The number of unfinished cases on the first of April, 1949, in Manitoba was nil; Saskatchewan, 42; Alberta, 38. The number of proposals filed by farmers during 1949-50 was one in Manitoba, twenty-two in Saskatchewan and three in Alberta. The Municipal Improvements Assistance Act was enacted in 1938 to assist municipalities in making self-liquidating improvements and to relieve unemployment. The act was suspended early during world war II and has not been reopened since. Therefore no new applications have been considered and no new loans have been approved during the current year.

Mr. Macdonnell (Greenwood): Will the minister tell me what staff there is for the operation of the Farmers' Creditors Arrangement Act? According to the figures he has given it is practically a dead letter, as one would expect, because farm prices have happily been very much better than they were, if not all that we would have liked. What staff is there?

Mr. Abbott: A total of eleven.

Mr. Macdonnell (Greenwood): Without wanting to dwell too long on it, I suggest to the minister that if there are eleven people to do all that the act now does they must be busy keeping each other busy. Without labouring the matter further, I suggest that it might be looked into because to all intents and purposes it seems to me that the staff is too large.

Mr. Abbott: It is on a steadily reducing basis. I am satisfied that the staff is not too great. After all, the act is there and these cases have to be processed. We are reducing the staff, and as a matter of fact it is being reduced this year.

Mr. Macdonnell (Greenwood): I am not going to regard that as one of the shining examples of the effectiveness of the minister's staff. After all, I know a little about this kind of thing. Here you have eighty cases in all. Incidentally, I see there is a nil return for Manitoba. Nothing must have happened there at all. I would have thought that eleven people are about five times too many to deal with this matter.

Mr. Abbott: There were forty-nine cases disposed of during 1949-50. There is one permanent salary of $2,280, and there are ten persons under the head of temporary assistance. It is an extremely small staff and the total expenditure is estimated at $30,000 odd.

Mr. Bater: I should like to advise the hon. member for Greenwood that, while it is true that farm prices have been considerably higher in recent years, there is still an area in Saskatchewan, which has often been mentioned by the hon. member for Maple Creek, that will still derive benefit from the act.

Mr. Abbott: There is one other point I should have mentioned. Of course this staff also administers the Municipal Improvements Assistance Act on which payments are still being made. There are loans outstanding and they also have to be processed.

Mr. Macdonnell (Greenwood): I want to make it quite clear that I am not criticizing the act. I am only suggesting that such a large staff is not needed.

Mr. Abbott: The auditors of the Bank of Canada for the year just ended are Mr. Gates of P. S. Ross and Sons and Mr. Samson of Chartre, Samson, Beauvais, Gauthier and Company.

Mr. Diefenbaker: Who are the various representatives in the province of Saskatchewan for the Farmers' Creditors Arrangement Act and how much did each receive last year?

Mr. Abbott: I am afraid I have not that here. I did not anticipate it would be asked, but it is readily available. I will get it and give it to my hon. friend.

Mr. Diefenbaker: I am glad to hear that the act is being continued because it fills a need. It has done a great deal for the benefit of farmers in various areas of the western provinces who, by reason of conditions beyond their control, would otherwise not have been able to carry on. It is an act that the Bennett administration introduced in 1935, and it has been most beneficial. As everyone who comes from the province of Saskatchewan knows, there are areas where the act is still applicable, and may be more applicable having regard to conditions prevalent this year in parts of Saskatchewan, which are a continuation of last year's conditions. I am not going to go into detail at this time, but I feel some consideration should be given to the act at the next session to make provision for an extension of the time within which farmers may be permitted to make a second application.

When the act was first brought into being in 1935 the administration was rather too strict and confined as to the degree to which indebtedness was written down. It may have gone the other way later on, but certainly farmers who had their debts written down in 1935 and 1936 did not have them written down to the extent that later applicants did. If I were to speak personally about the act, I might say that in the case of two or three claims I felt the reduction was rather steep, but I know what the act did. It was beneficial. I hope that consideration will be given to extending an opportunity to those in parts of Saskatchewan within the Palliser triangle who had their indebtedness written down earlier in the administration of the act and later on found that the amount they received was so much less than what was extended under the later administration of the act as to be of very little, if any, benefit to them.

Mr. Jones: Is the minister giving consideration to capital loans under the Municipal Improvements Assistance Act being granted again to municipalities, or is the act frozen?

Mr. Abbott: That question has been raised by a number of members, and so far no consideration has been given to it. As I said a

moment ago, it was introduced during a period of relatively low unemployment. I think I can certainly say with safety that it will not be reconsidered until after our discussions with the provinces this fall.

Item agreed to.

Administration of various acts and costs of special functions—

90. Administration of the Farm Improvement Loans Act, 1944, and the Veterans Business and Professional Loans Act, 1946, $55,520.

Mr. Macdonnell (Greenwood): I should like to make one comment. I observe with interest that the Farm Improvement Loans Act has, I should think, proved to be of great assistance because I note that in 1949 loans for the purchase of agricultural implements amounted to some $41 million, considerably more than in 1948. It seems to me it is serving a useful purpose.

Mr. Herridge: I want to ask a question concerning the Veterans Business and Professional Loans Act. Are the loans expanding? Are the veterans taking greater advantage of this opportunity from year to year? Then, what percentage of loss has been incurred, if any?

Mr. Abbott: At December 31, 1949, there were 4,633 loans outstanding for a total of $8,390,236, and the losses totalled $72,855.78, plus costs of $802.93.

Item agreed to.

Administration of various acts and costs of special functions—

91. Foreign Exchange Control Act, 1946—administrative costs (other than those provided by the Bank of Canada), $205,500.

Mr. Adamson: I have something to say on this item which will take a few minutes. No doubt the minister will say he has heard some of it before. Sometimes in this house I find one has to adopt the principle of water dropping on a stone and wearing it away in order to get any hearing at all. The matter I want to discuss is the foreign exchange control board, of course, and the whole business of controlled currency and exchange. The situation today is rather like that of a doctor called in to see a patient who is flushed and has a very high colour. The doctor says to the patient and his family, "Why, look at that fine, glowing complexion. He is in fine shape. Keep him on his diet of beefsteak and champagne". That is the diagnosis, though the patient may be suffering from a thrombosis or high blood pressure.

Today the dominion bureau of statistics published figures on our trade which were treated by the press as being extraordinarily favourable. I want to examine those figures in perhaps a more critical light. First I want to look at the principal trend in our trade, which of course is brought about by the deliberate policy of the government to have a controlled dollar based upon United States currency. It is true that we have increased our exports to the United States for the month of May by $54 million over last year, and that is very good. But let us look at what has helped bring that about. In the first place there has been a tremendous increase in the population of the United States in the last year or so, which has had something to do with this increased trade. Another and very important point is that during the past year the United States has been in a deficit position with respect to certain base metals and wood products, which form our two major items of export to that country. Then the policy of the United States government of putting floor supports under many items of food and thus keeping up the price of food in the United States, particularly beef and other meats, which has brought about great increases in our exports of cattle and other animals to that country, not only by volume but also in price. That, I maintain, has been a direct result of the farm support policy followed across the line.

There are, however, certain warnings of which we should take note. One is the fact that very shortly this whole matter of tariffs is going to be raised again, particularly the tariff on copper; and in this item alone there might be a very serious decline in our trade with the United States. While I am on the subject I think I should say that with the growing depletion in the United States in the metals it must have for its economy, it is natural to expect that our trade north and south will increase. That is due to geological factors which are beyond the control of either government.

Looking at the picture today, I find these figures. According to the bureau of statistics our exports to the whole world in the month of May amounted to $289·6 million, as compared with imports for May of $290·1 million. In other words our deficit amounted to $500,000. Our exports to the whole world in May 1949 amounted to $275·7 million, while our imports from the world amounted to $250·5 million, showing a surplus on trading account of $25·2 million. In other words our basic position for those same months of the two years shows an impairment of $24·7 million. Our adverse balance with the United States in May of 1950 was $19·2 million, while the adverse net trading position with the United States in May of 1949 was $49 million, showing an improvement of $29·8 million in comparing the two months. As I have said, that is to be expected largely because of the shift in trade caused by

the deficiency picture south of the line, which incidentally is likely to get worse.

Now let us come to our exports to the United Kingdom. In May, 1950, they amounted to $48·8 million and in May, 1949, to $72·9 million, or an impairment on balance of $24·1 million. That is a shift in the pattern of our trade, north and south versus east and west, and it is something which is done by government action largely through the operation of exchange controls. It is a deliberate policy, and it is having the effect of cutting down our world trade. As has been shown, we had a deficit in the month of May, 1950, versus a surplus in the month of May, 1949. Our trade with the rest of the world has greatly decreased, and we are putting ourselves into the position where we are becoming more and more dependent on the United States for our international trade.

I feel there is some danger in this deliberate policy, a part of which is the foreign exchange control board, because through that policy we are likely to price ourselves out of the world market. It is not entirely our fault because the rest of the world has resorted to these vicious devices of exchange controls, cartels, bilateralism, and has erected a barrier which we find it difficult to pierce. Nevertheless, the adoption of the same methods by ourselves will not solve the problem.

Let us turn to the question of the management of currency. Just so long as the government controls currency, credit expansion can go on slowly but continuously, without causing any alarm amongst the general population. The inflationary pressure to which the present government, or any government of Canada, is subjected is something which I feel must be taken into account. While we are still financing on a budget surplus, and have not adopted the pernicious system of deficit financing followed by Washington, yet I feel that steps should be taken now to prevent that. I feel that it is a distinct possibility. I give to the committee the sort of thing which I feel is likely to happen at any forthcoming general election under the sort of pressure which this government will be, and the sort of pressure under which any responsible political party will be. First, we shall have a tremendous pressure for an increase in old age security. Naturally, I approve of old age security based on the country's ability to pay, but I can see the slogan going out across the country something like this: Vote for us, fifty at fifty. That would mean, vote for us and get $50 at fifty years of age.

Mr. Abbott: I would be in on that policy.

Mr. Adamson: I would soon be coming in on it, too. It would be very attractive. Then, there will be the health program and the housing program. If there is any increase in the cost of running the national railway, there will be an increase in the railway deficit. In addition to those things there will be a great demand for expenditure for national defence. Now, Mr. Chairman, all of those things will be direct inflationary pressures on any government of Canada at any election. Unfortunately, that is the pattern of democracy both here, in the United Kingdom and in the United States. It is the promise of something for nothing. There is a bit of English doggerel about a father who, on his daughter's wedding day, says:

> Ah, 'tis my daughter's wedding day;
> Ten thousand pounds I'll give away.
> On second thought I think it best
> To put it in the old iron chest.

Mr. Chairman, everything from there on is unprintable, but that is the sort of reaction which will take place if the government makes these promises. What does that mean? It means that there will be an inflationary multiplier in our economy which it will be extremely difficult to resist under a system of managed currency. Last year the minister said the minimum revenue requirement would be about 2·4 billion dollars. I do not think any of us in this house will ever see it get down even to that. I feel that, if it keeps on going up, only one thing can happen, and that is a decrease in the purchasing power of the dollar. So long as the government can manage the currency it can embark on a slow but permanent program of inflation. This is not seen as dangerous by the people, and the government is urged or pushed into further excesses. The purchasing power of the currency is forced down slowly perhaps but nevertheless steadily. Let us not fool ourselves that this is not going on now, and not too slowly either.

For the members of this house, Mr. Chairman, I should like to quote the figures for the cost of living, wholesale prices, the annual labour figure and the raw money supply. I should like to have the permission of the house to put this small table in *Hansard,* because I think the members would be interested in those four figures, taking 1939 as 100 in the first three cases. The cost of living in 1949 showed an increase of 58·4 per cent; or if you want it expressed as a ratio as the dominion bureau of statistics expressed it the figure is 158·4, taking 1939 as 100. These figures are new, Mr. Chairman, and they have just been worked out by the dominion bureau of statistics. From the end of 1949

to April, 1950, the increase in the cost of living was from 158·4 to 161·6 per cent, going up at an accelerated speed.

Let us take wholesale prices, again taking 1939 as 100. Wholesale prices at the end of 1949 had increased by 108·2 per cent and to April, 1950, by 112·3 per cent. That again is a rapidly increasing inflationary spiral, making the ratio, at the end of 1949, 208·2 per cent and to April, 1950, 212·3 per cent. The annual figure of wages for labour, on the basis of 1939 as 100, was an increase of 105·1 per cent or a ratio of 205·1 per cent. That is a new figure that has just been released from the Department of Labour.

Now let us take the raw money supply. In 1939 the raw money supply was $1,370 million. At the end of 1949 it was $4,422 million; and in April, 1950, it was $4,483 million, or an increase on the percentage basis during the war decade of 223·5 per cent, and up to April of this year, of 227·2 per cent; or on a ratio basis, 323·5 and 327·2. An even greater acceleration.

It will thus be seen that the money supply has increased at a rate double that of the cost of living, 100 per cent more than wholesale prices and a little over 100 per cent more than the annual wage rate for labour.

Mr. Fournier (Hull): And everyone is satisfied.

Mr. Adamson: That is the horrible danger. With permission, Mr. Chairman, I should like to place on *Hansard* that short table, because I think it shows what is happening to our economy under the present system of managed currency.

The Deputy Chairman: Has the hon. member leave to put this table on *Hansard?*

Some hon. Members: Agreed.

Mr. Adamson: The table is as follows:

Statement showing increases in cost of living, etc. —1939-1949; April, 1950

	1939	1949	April, 1950
Cost of living			
		per cent	per cent
	100	58·4	61·6
Ratio		158·4	161·6
		per cent	per cent
Wholesale prices	100	108·2	112·3
Ratio		208·2	212·3
		per cent	per cent
Labour (annual)	100	105·1	
Ratio		205·1	
	Millions	Millions	Millions
Raw money supply	1,370	4,422	4,483
		per cent	per cent
		223·5	227·2
Ratio		323·5	327·2

These figures are for the 10-year period from the beginning of the war till 1949. (The war decade.)

[Mr. Adamson.]

I am mentioning this, Mr. Chairman, and the whole question of exchange and monetary control because I believe that it is going to cause to the very people who are now pushing for it more grief than anything else we can think of. I believe there is nothing more sinister to the hourly worker or the wage earner than a continuous inflation of the currency which is known as the debauching of the currency.

The safeguard against the destruction of the purchasing power of the dollar is of course a return to the gold standard. I am not going into the question of a free market first at the present time; but until control of purchasing power is placed back in the hands of the people, the urge for continuous inflation is going to be difficult or impossible to overcome. This is true of every freely-elected democracy. The gold standard makes the determination of money's purchasing power independent of the changing ambitions and doctrines of political parties and pressure groups. This is the security of the gold standard and its main excellence. The hatred of the gold standard is inspired by governments who imagine that they can create wealth out of little scraps of paper.

What the expansionists call the defects of the gold standard are in fact its pre-eminent usefulness. It checks large-scale inflationary ventures on the part of governments. The gold standard did not fail. Governments were eager to destroy it because they were committed to credit expansion as a means of lowering the rate of interest and of improving the balance of trade.

No government—even the American or the Russian government—is powerful enough to abolish the gold standard. Gold is still the vehicle of international trade. As long as the country is not economically self-sufficient, it must meet that deficiency in gold. We cannot isolate ourselves against it.

In this connection I should like to read a quotation. At this juncture may I say that with all the criticism I feel is due to the government for the financial situation, Canada has as yet not resorted to the expansionist and inflationary measures employed by the United States. That is just another reason, and possibly one of the main ones, why the abolition of exchange control would react in our favour. Public men from one end of the United States to the other have criticized the growing inflation in that country. I just want to quote one Mr. Lawrence, who says this of the United States government:

The failure to return to a gold standard, the persistence of budgetary deficits, the flagrant disposition of government to corrupt large voting groups with

handouts, all indicate beyond any reasonable doubt that the dollar of tomorrow may well be a dime in purchasing power. The government has served multiple notice that it has no intention of protecting the integrity of the currency.

Against the possibility of cyclical business and price retreat the average citizen balances the probability of war and the certainty that the government, deliberately avoiding the salutary discipline of gold, will undermine the currency.

He would be a chump if he failed to adjust his personal plans. He therefore seizes the forelock of the future by purchasing today the heavy items now available which he otherwise would not have bought except at some future date. Again we borrow from that future and crowd the current days with business which gives those days the character of a boom in high tide.

Stock markets today are moving up. The country is experiencing a boom. The pressure partially exerted by inflation in the United States is driving up, up, up the price of our staples. We welcome it—we welcome it because it balances our trade with the United States. But, Mr. Chairman, it is a very dangerous thing, and if we are completely tied to that inflationary economy the results for us will be profoundly serious.

In that connection I should like to quote a Canadian authority in a Canadian Press dispatch of June 23, as quoted in today's *Globe and Mail*. It carries a dateline at Sarnia and states:

A continuing dominion government policy of full employment and managed currency, instituted with the founding of the Bank of Canada in 1933, could bring economic havoc, the accounting forum of Sarnia and Port Huron, Michigan, was told here.

Speaker was Earl A. Steiss, investment head of a London, Ontario, trust company (Canada Trust) and a lecturer in business administration at the university of Western Ontario.

He said that the "full employment system,"—

And I shall later explain the expression "full employment system".

—which succeeded the gold standard as a basis for national economy, could eventually bring food surpluses such as existed in the United States, disastrous loss of export markets, and a declining standard of living.

It had already meant a serious drop in the real value of salaries for Canadians dependent on fixed incomes, he claimed. Because salaries, unlike wages and farm incomes, have failed to keep pace with the rise in the cost of living.

In 1933, a man with a $3,000 a year salary had more than $2,900 left after tax deductions. In 1949 the same salary after tax deductions was worth less than $1,500 in terms of 1933 dollars. A $5,000 income in 1949 was worth less in buying power after tax deductions than a $3,000 salary in 1933.

Mr. Steiss said that the three direct effects of the system of managed currency under government control was to increase government spending, increase prices and decrease interest rates.

The most serious effect of increasing prices was the threatening loss of export markets on which Canada depends for 30 per cent of her income.

These are the inevitable results. We are trading today at an increasing rate with, I will not say "our partner", but our co-partner in an inflationary debauch.

Let me say a word about the expression "full employment". The policy of full employment means a constant expansion in the money supply so that when an industry prices itself out of the natural market new money will be created so that it can sell its products at an increased price. It does not mean that everyone will have a job. The unemployment, seasonal and otherwise, during the past year when the policy of "full employment" was in force is testimony of this.

What does this boil down to? It boils down to this: We have a growing inflationary pressure placed against the present administration, and against the whole Canadian economy. We make this possible to continue, and seem even pleasant, because we manage the currency and constantly increase the raw money supply. This procedure has been embarked upon by many other countries in the past, but no one ever embarked upon it without desperate consequences.

I suggest that now is the time for the government, before it is forced into deficit financing, before the purchasing power of the dollar has dropped further and before the next demand for increased wages and increased prices is made, to stabilize the situation at this level. Let us see if we can set a lead, even to the United States, and stop the inflationary pressure that is taking place. If we do not do that our economy is in the gravest danger it has ever experienced.

Up to now things have gone reasonably well. The purchasing power of the dollar as reflected in the cost of living basis is down to about 40 cents as compared with the pre-war dollar. But from now on that depreciation in purchasing power is likely to accelerate. Every hoist in the cost of living and those other items that enter into our economy makes the next hoist, the next inflationary move, that much more certain and that much more inevitable.

The experience with the assignats in France could be repeated here. It is only our buoyant productivity that has saved us thus far. Our new resources and new developments—oil, base metals, wood products, fissionable materials, farm produce—all these have been the source of our salvation. They will continue to be; but let us not ride our luck too far.

Therefore in order to give substance to my protest I move:

That item 91 shall be reduced to one dollar.

Mr. Macdonnell (Greenwood): I should like to add a word to this. I am sure the mover of the amendment will agree that this is a

protest on principle and is an indication that we feel there should be a move made toward freedom and in the direction indicated by the previous speaker. We are not overlooking our obligations under Bretton Woods or any other agreement, but we do protest against the inflexible principle of managed currency which unfortunately seems to be a permanent policy. It is on that basis that I am prepared to vote for the amendment.

I do not want to repeat what I said the other day, but I think we should remind ourselves that there is a growing movement toward what might be called the dictatorship of currency. By that I mean that a few men are allowed to fix the value of our currency, and that demands either infallibility or absolute freedom from political pressure. I say nothing about infallibility, but I should like to comment upon the freedom from political pressure. We need only to see what goes on in the United States and England to realize how impossible it is to have freedom from political pressure under the conditions that exist now.

Mr. Bater: What does the hon. member for York West mean by raw money?

Mr. Adamson: Raw money is a technical term used by the Bank of Canada to indicate the total currency and the active bank deposits. Active deposits are shown for April, 1950, as $4,483 million, inactive deposits as $3,875 million, and government of Canada securities as $9,707 million, making a total of $18,107 million at the end of April, 1950. The raw money supply really means the active money supply on hand.

Amendment negatived on division.

Mr. Macdonnell (Greenwood): I should like to ask one or two questions on this item. This item deals with administrative costs other than those provided by the Bank of Canada. May we have the additional operating costs and will the minister tell us what he considers to be the total cost of carrying on this board?

Mr. Abbott: As my hon. friend will recall, having read the report of the foreign exchange control board, the expenditures made by the Bank of Canada for staff, premises, office space, equipment, travelling expenses, on behalf of the board amounted to $1,175,194. In addition to that there are items, corresponding to the one we are voting here and which are outlined in the report, of $212,885 and which I take it I do not need to read.

Mr. Macdonnell (Greenwood): It would seem to me, without wanting to press the point, that the natural way to deal with it would be to show the total cost here.

Mr. Abbott: If my hon. friend looks at the Foreign Exchange Control Act he will see there is a statutory provision for the Bank of Canada performing these foreign exchange control services. This item is put in here in order that there may be a debate each year on the operations of the board.

Mr. Macdonnell (Greenwood): Perhaps the minister has it in mind to do it, but I am anxious to have him make some statement as to the attitude of his department toward the whole question of exchange control. I would draw to his attention that there are indications in France that they are seriously considering doing away with foreign exchange control. I ask the minister if he regards that as significant and whether he cannot make some general statement?

Mr. Abbott: My hon. friend has raised a very important question of government policy and I do not propose, nor do I feel it would be proper, to give any indication as to what future government policy may be, except to say what I have said on a number of occasions, including the time when the Foreign Exchange Control Act was before the house, that no one will be happier than I when it is possible to eliminate foreign exchange control. But as to when that may be or under what circumstances it will occur I am not prepared to indicate by engaging in any hypothetical discussion today. I do not feel that it would be proper for me to do so.

Mr. Macdonnell (Greenwood): I am sure the minister will not be surprised at my saying that that is thoroughly unsatisfactory. After all there are people who are in just as important positions as the Minister of Finance who are making statements and I think it is highly undesirable that we in this country should be left without any indication. I hope the minister will not regard it as being discourteous, because it is not intended that way, when I say that this appears to be another of those cases, perhaps with more excuse than in others, where we are being treated like a lot of children.

Mr. Abbott: I am sorry I cannot accommodate my hon. friend. I have never considered that I was gifted as a prophet.

Mr. Macdonnell (Greenwood): I am not asking the minister to be a prophet, I am simply asking him to indicate if there are any general principles on which they are moving. The minister says that he will be glad when this is over, but it is not going to come to an end unless people like the minister move

toward bringing it to an end. I am not suggesting that it can be done the day after tomorrow, but apparently we are being met with an attitude of splendid negation which is not going to get us anywhere.

Mr. Abbott: I have no intention of influencing the sale of futures by the foreign exchange control board by making a prophecy in this house.

Mr. Harkness: When measures were brought in in 1947 to conserve the amount of gold and American exchange two lists were issued, one of prohibited articles which could not be imported from the United States and the other of articles which could be imported only under quota. Those lists have been successively cut down since that time. As I remember, most of the articles were taken off the prohibited list and many were taken off the quota list in April of this year.

Mr. Abbott: Some to be effective on July 1, but announced in April.

Mr. Harkness: The announcement was made in April that most of the remaining articles were to be taken off the prohibited and quota lists. Could the minister tell us what articles still remain on those lists?

Mr. Abbott: I am sorry I have not that information here. As my hon. friend will recall, those quotas and prohibitions are not under the Foreign Exchange Control Act, they are under the Emergency Exchange Conservation Act. I must confess that I did not come prepared with that data because the foreign exchange control board does not administer that act. I can get the information very quickly for my hon. friend and send it to him, possibly tomorrow morning. The information has been published in the *Canada Gazette*.

Mr. Harkness: The minister will correct me if I am wrong in saying that the number of articles left on the prohibited list is very small.

Mr. Abbott: Speaking from memory, I think there are no longer any articles on the purely prohibited list, unless it is crime comics and that sort of thing. I have no details here of the articles on what we call schedule II or the quota list, but I will get it for my hon. friend.

Mr. Harkness: I should like to draw to the attention of the minister a matter about which I have written several times. Parking meters were on the prohibited list and I was under the impression they were the only article still left on that list. It may be that they are on the quota list now. Electric phonographs, or juke boxes as they are commonly called, have been taken off the list as of July 1. It does not seem reasonable when you are dealing with coin-operated machines that you should keep on the prohibited or quota list parking meters which are required by a large number of municipalities and cities. A number of these municipalities want particular types of machines which are not manufactured in Canada. I understand there are two kinds of machines manufactured in Canada but they do not have the automatic coin counting devices possessed by certain machines manufactured in the United States which certain municipalities want to get. As I understand, these machines will still continue under quota whereas juke boxes are being removed from the quota list in spite of the fact that a juke box costs anywhere from $500 to $2,000 and a parking meter only costs from $25 to $60. Can the minister give any explanation why this situation exists, and say whether it is going to continue? Perhaps parking meters are going to be taken off the list.

Mr. Abbott: I am not prepared to give very much information about the specific details today. As I have said, we have been following a progressive policy of relaxing import restrictions and quotas as rapidly as we felt was justified by the improvement in our exchange reserve. We have usually made rearrangements once a year. As was pointed out, we announced quite substantial relaxations early this year, some of them to be effective as of the first of July. I will take note of the special case of parking meters. I have listened to my hon. friend, and I will inform myself about it. I cannot give him the answer this afternoon but I will write to him about it.

Mr. McLure: I received word today that a municipality wants to buy a certain type of road machinery not manufactured in Canada. I understand they have to secure a permit from the department to import such a machine from the United States.

Mr. Abbott: That comes under the Department of Trade and Commerce.

Mr. McLure: I understand the only objection raised is because of the exchange situation. I thought that might come under the minister.

Mr. Abbott: No. These items of capital machinery and equipment come under schedule III of the Emergency Exchange Conservation Act which is administered by my colleague, the Minister of Trade and Commerce. I am sure he will be able to answer my hon. friend's question, but I am afraid I cannot.

Mr. Diefenbaker: Under this item I want to bring to the attention of the minister again some of the forfeitures that have taken place. I know of several people in my own province who unwittingly committed breaches of the Foreign Exchange Control Act when crossing into the United States. I do not want to make personal references but I feel that any one of us might very well make a mistake, fail to carry out the provisions, and if we were searched might find ourselves in difficulties. I feel there will be general agreement with that suggestion. I do not want that to be considered as personal testimony, Mr. Chairman. I am speaking about others. I am sure you understand that.

Having said that, I feel that some consideration should be given to the return of small amounts of moneys that have been forfeited under the provisions of the act. I mentioned one or two examples last year and the minister, with that friendliness with which he pilots his estimates through the house, smiled benignly and said that the matter would receive consideration. He was sure it would be seriously considered. I return once more to the matter, and all I can say is that nothing has been done.

Mr. Abbott: Does that relate to particular cases?

Mr. Diefenbaker: To particular cases. I feel that people who have had small amounts of money taken away from them, where there was obviously no intentional wrongdoing, should certainly receive consideration. I mentioned one case last year and I shall mention another one now A constituent of mine received a call to hurry to the United States to attend the funeral of his mother. He gathered together a few dollars in the small town where he lived, crossed the line into the United States, and was picked up with some $20 or $25 on him, which was confiscated. The news was received on Saturday afternoon after banking hours and some of his friends helped him out. By reason of the money being taken away from him he was denied the opportunity of attending the funeral.

I feel that such regulations are not just and fair. Travelling in various parts of this country as I do, I believe it is a fact that in large measure moneys have been returned to border residents. I am going to ask the minister to give the committee particulars as to the number of cases in which forfeiture has taken place in each of the provinces during the last year, and the number of cases in which there has been a return of the moneys taken. I know that the law has to be enforced, but I also know that it is difficult for some people to understand why the little man crossing the boundary should find himself in this position when, having regard to the stringency of the regulations, some people possessed of great resources seem to be able to secure the necessary moneys to maintain themselves in parts of the United States for considerable periods of time.

I feel that the law should be enforced equally, and that in the case of an individual who did not deliberately attempt to break the law there should at least be some resiliency in administration. I am asking the minister to give the committee particulars. I can do no more than protest. There is nothing else I can do, but protest I will and protest I do against the action of the foreign exchange control board in cases that have been brought to my attention where confiscation and forfeiture have taken place and where the circumstances indicated no intentional breach of the law. I ask the minister to let the committee have the particulars, and at least an expression of hope that some regard will be had to returning small amounts of money where there was no obvious degree of guilt, and where what took place, while wrong and therefore an offence under the law, nevertheless was not worthy of the punishment imposed.

Mr. Abbott: Mr. Chairman, I shall have to get the statistics as to forfeitures by provinces asked for by my hon. friend, but I shall be glad to do that. It will take a little time.

Mr. Diefenbaker: Will you place them on *Hansard*?

Mr. Abbott: If it is possible to do so. I will get the information as soon as it can be obtained. All I can say now is that I have had a good deal of experience in looking into cases of forfeitures because I get requests not only from my hon. friend but from a good many other members of the house whose constituents have had moneys taken from them at the border. My experience has been that the board is extremely lenient in these matters and has given the benefit of the doubt to the citizen. I look into all these cases that are brought to my attention, and in most of them I find that the forfeitures have been as the result of deliberate misstatements by the tourists to the customs officers at the border as to the amount of money in their possession. When that happens in those circumstances, as the committee knows the money is taken by the customs officer and reported to the foreign exchange control board; and the person from whom it has been taken has the right to appeal against the forfeiture. I suppose if I have looked into one of these cases I have looked into a couple of hundred, and in the great

majority I have come to the conclusion that the moneys had been quite properly taken. I do not administer the act myself, as I have said; it is administered by several hundred or perhaps several thousand customs officers along the border, who act as agents for the board. Some of them may be arbitrary; that is perhaps inevitable in a situation of this kind.

Mr. Diefenbaker: I was not speaking of the border officials, but of the senior officials of the board.

Mr. Abbott: I think this is a sound provision if you have a foreign exchange control law. I agree with my hon. friend that there should be equal administration of the law, but my experience has been that if a man makes out a case of innocence or inadvertence the money is returned. There may be exceptions to that, but as I say I have seen a great many of these cases over the last two or three years.

Mr. Macdonnell (Greenwood): I am not going to come to the defence of anyone who breaks the law, but I hope we will all remind ourselves of what a fantastic situation it is that our citizens have to be subjected to this sort of treatment at the hands of scores of people, probably not all of whom treat them with that delicate kindness which I am sure the minister would display. I can only hope that he is as distressed as he should be over the situation and that we can count on him to do his best to get rid of it.

Mr. McLure: I want to ask the minister a question; it has to do with the exchange of money, but I do not know whether it comes under his department. A friend phoned me today and said he was in the unfortunate position of having had a friend in New York pass to the great beyond and will him $25,000 plus a Rolls-Royce, together with other things. He wanted to know about the money coming into Canada, what taxes he would have to pay on it, and so on. Would that come under this department?

Mr. Abbott: I suppose it would, indirectly. We shall be delighted to see the $25,000 in United States money brought up here. That would be a legacy and would not be subject to any tax in Canada, as far as I am aware. The recipient would be a very lucky man.

Item agreed to.

Administration of various acts and costs of special functions—

92. Expenses of the tariff board, $109,080.

Mr. Macdonnell (Greenwood): I take it that our very able tariff commissioner is likely to be going to Torquay, and I wonder if the minister would say a few words on the Geneva situation, followed by Annecy and now Torquay, unless he tells me that is a matter for the Minister of Trade and Commerce. I should like to know what policy our representatives at Torquay are going to be asked to carry out, because after all that is a matter of very great importance and I think it desirable that we be informed to the greatest possible extent. The hon. member for York West has been pointing out the extent to which we seem to be deliberately making ourselves dependent upon the United States. However pleasant that may be while they have a tremendous boom going on over there, occasionally we must remind ourselves that to a certain extent we are competing with them, and that there are other parts of the world as well. Will the minister say something about that?

Mr. Abbott: I do not know that I can add very much to what I said in my budget speech. I do not want to offend anyone, but may I point out again that the discussion on the estimates usually does not relate to the estimates as such. We deal with matters which are discussed on the budget, and we deal with questions of general policy.

Broadly speaking, in reply to my hon. friend, we are going to Torquay in the same spirit that we went to Geneva and Annecy. We hope it may be possible by mutual concessions to arrive at a lowering of tariff barriers. That is our policy. If I were one of the delegation that is the policy I would try to follow. We are not giving anything away; everything has to be on a reciprocal basis. As has been stated consistently for as long as I have been in the government, our policy is to press for the lowering of trade barriers by reciprocal agreement.

That is pretty general, but I should hope I would not be expected to enter upon a discussion of tariff matters on my estimates. I am sorry to say that I have only another twenty minutes at my disposal. I realize that I shall not be able to finish my estimates, and in a moment I am going to ask that the main estimates stand in order to deal with the flood relief items in the supplementaries.

Item agreed to.

Administration of various acts and costs of special functions—

93. Expenses of the Royal Canadian Mint and the assay office, Vancouver, B.C., and to authorize commitments against future years in the amount of $200,000, $864,835.

Mr. Adamson: What happens to the overages at the mint? What does the mint charge now for refining gold?

Mr. Abbott: The amount of overages last year was $57,607.58, and it goes into the consolidated revenue fund.

Mr. Macdonnell (Greenwood): There is a kind of super-commitment here, apparently, in the amount of $200,000. Is this in connection with your bullion transactions?

Mr. Abbott: It is the Vancouver branch of the mint.

Mr. Macdonnell (Greenwood): I still do not understand: "to authorize commitments against future years in the amount of $200,000." That seems a large amount, and it doees not explain itself.

Mr. Abbott: That is for the construction of an addition to the mint. I am sorry; I did not understand my hon. friend's question.

Item agreed to.

Administration of various acts and costs of special functions—

The wartime prices and trade board—

94. Administration, $1,907,142.

Mr. Macdonnell (Greenwood): I would like from the minister a general statement as to just how the reduction is progressing. I am surprised to find that it still costs nearly $2 million, though I realize that is a great reduction from previous years. I should like the number of employees as compared with a year ago, the amount of office space, the number of offices, and one or two other relevant details.

Mr. Abbott: As my hon. friend is aware, the administration of the emergency import control comes under the wartime prices and trade board. He realizes that this is not simply price control administration, that it administers rental control, the cleaning up of payment of subsidies, and so on. As at April 30, 1949, there were 1,049 employees. As at April 1, 1950, there were 695 employees. I am afraid I have not the information at the moment as to the floor space, but I can get it.

Mr. Diefenbaker: I should like some information with respect to travelling expenses under this head. What was the amount spent on travelling expenses last year?

Mr. Abbott: The estimate this year is $168,000, which represents a reduction of some $32,000 from last year. The actual expenditure last year was $169,678. This year we estimate $168,000 or approximately the same amount as spent last year. I would hope that would not be achieved, but until we know what happens to rental control it is rather difficult to say.

Mr. Diefenbaker: What was the total amount paid in legal fees last year?

Mr. Abbott: Legal and audit are together, so I am afraid I shall have to get my friend a break-down of that. It amounted to $125,000, but the major portion of that would be legal fees.

Mr. Diefenbaker: Will the minister give the three largest items for legal fees during the year, and to whom those payments were made?

Mr. Abbott: I would have to get that information, I have not got it here. It is rather difficult to know what particular detail is required. Of course, the information is available and I can get it.

Mr. Diefenbaker: Will the minister place that on *Hansard* along with the other information I requested?

Mr. Abbott: It is sometimes helpful if I know these questions in advance, but I realize that is difficult. Some hon. members do let me know when they want particular information.

Mr. Diefenbaker: I am learning all the time, Mr. Chairman. Now I learn that the minister is given the questions in advance.

Mr. Abbott: The hon. member for Greenwood was very considerate in that respect.

Mr. Diefenbaker: I did not know that practice was followed. It is interesting.

Mr. Abbott: I do not suggest it needs to be done on general items, but where particular questions are asked it is helpful.

Mr. Macdonnell (Greenwood): I want to know still more about this service. The minister has told us about the emergency import control and subsidies. I want to get a little more idea, because I am still not satisfied. Perhaps if I had a little more information I would be better satisfied.

Mr. Abbott: What information is it my hon. friend wants?

Mr. Macdonnell (Greenwood): Here we have a reduction, it is true, of a million dollars. The minister has also pointed out that the number of employees in the department has been reduced. I want to know if that is the wartime prices and trade board itself that has been reduced from 1,049 to 695. Are the 695 dealing with subsidy payments, and if so—

Mr. Abbott: No, I said the wartime prices and trade board, but it is really the next item, the commodity prices stabilization corporation. I was putting them together, but it is that corporation which is cleaning up the various subsidy claims.

Item agreed to.

Public debt charges—

97. Commission for payment of interest on public debt, payment of premiums on government of Canada sterling securities, services of fiscal agents, London, registrar's fees, etc., $406,100.

Mr. Abbott: I think I should ask the committee if they would be good enough to let this item stand, and turn to item 676 in the supplementary estimates which I tabled today. It is the item to provide for flood relief payments.

Item stands.

Special—

676. To authorize and provide for an initial grant to the province of Manitoba to assist it in meeting costs incurred as a result of the Red river floods in 1950, $12,500,000.

Mr. Stewart (Winnipeg North): Mr. Chairman, a few weeks ago in discussing the flood situation in Manitoba, I suggested the government make an interim payment of $10 million to the province of Manitoba. I see the Minister of Finance is suggesting an amount of $12,500,000, which of course is just an interim payment. It will not nearly meet the cost of the damage which was caused. What I want to know specifically is: What does the $12,500,000 include? The item reads:

To authorize and provide for an initial grant to the province of Manitoba to assist it in meeting costs incurred as a result of the Red river floods in 1950.

Is it only for the cost of fighting the flood or is it only a payment towards repairing property damage or is it a combination of both? That is something which we have to get cleared up because the Prime Minister has already told us that Manitoba will be treated in exactly the same way as British Columbia. Obviously, therefore, we are not going to be satisfied with less.

In so far as British Columbia was concerned the federal government paid one hundred per cent of the total property loss; seventy-five per cent of the cost of the repair works; seventy-five per cent of the cost of permanent measures adopted to prevent a recurrence of the flood. The federal government paid in the neighbourhood of eighty-one per cent of the cost of the flood damage and the preventive measures in British Columbia. What the provincial government in Manitoba is doing is a bit of a riddle. A few weeks ago I was critical of what that government had done, and had the Minister of Justice been here I might have pursued further the line he adopted, namely that the province of Manitoba did not have an adequate public relations staff. As a matter of fact if the provincial government has secured the services of Baron Munchausen and Ananias they could have made nothing of the wretched handling of the situation by the government. The mistakes cannot be attributed to faulty public relations.

In Manitoba today there has been developed a principle of limited aid. For property damage the aid will not exceed $3,000. I know that for a great number of flood sufferers that is a completely inadequate sum. What I want to see is one hundred per cent flood damage paid; that is on the same basis as was paid in British Columbia, and rightly so.

An hon. Member: That is not right.

Mr. Stewart (Winnipeg North): A grant of $5 million was given to British Columbia and it covered property losses. As everyone knows the Carswell-Shaw commission was limited in its terms of reference. The report of that commission shows a total loss of $26,500,000, but it excludes of course personal property loss. Of that $26,500,000, $2,500,00 is for emergency precautions which are going to be carried out, I hope this year, along the lines of the Hurst report. What I want the minister to do now is to tell us the composition of this $12,500,000, how it is broken down, if indeed it is broken down, between fighting the flood and the cost of personal property.

Mr. Abbott: I would be glad to do that, Mr. Chairman. The position with respect to this grant is as it says in its terms. It is to assist the province of Manitoba in meeting costs incurred as a result of the Red river flood of 1950. The extent to which rehabilitation payments will be made, the extent to which other people will be indemnified, will be determined by the province of Manitoba. The government of Canada, as was the case in the Fraser valley, is making first of all an initial grant to assist the provincial government in discharging its obligations, but the provincial government must determine the extent to which it will assist in the rehabilitation of private property; that is its responsibility.

The position with respect to the Fraser valley, as everyone knows, was that the dominion government paid seventy-five per cent of the cost of fighting the flood; seventy-five per cent of the permanent works to prevent a recurrence of that flood; and it made a grant of $5 million to the province of British Columbia so that the province would meet the other costs incurred. At the time the grant was made it was estimated the total damage would be something in the order of $10 million or $11 million. Ultimately, it proved to be somewhat less than that. I cannot say, nor do I intend to break down the $12 million between the various items of damage in Manitoba and restoring property damage. However, as the Prime Minister has said, the same principle will be followed in

assisting Manitoba as was followed in assisting British Columbia. That is the position as clearly and as succinctly as I am able to put it.

Mr. Stewart (Winnipeg North): In other words, this grant is for the province of Manitoba to do with as it sees fit?

Mr. Abbott: It must decide the nature and the extent of the assistance it will provide individuals.

Mr. Knowles: May I ask whether the Minister of Finance can indicate what was in his mind when he picked on this figure of $12,500,000. It strikes one that it could be one-eighth of $100 million or one-quarter of $50 million or one-half of $25 million.

Mr. Abbott: It could be a percentage of a lot of things, Mr. Chairman. I do not know that I could indicate just exactly what was in my mind. I studied the report of the Carswell-Shaw commission, and I had an opportunity of seeing Winnipeg, rather briefly I am afraid. I had an opportunity of meeting the premier of British Columbia and the members of his cabinet.

Mr. Knowles: I presume it was the premier of Manitoba.

Mr. Abbott: Yes, the premier of Manitoba. I came to the conclusion that I would recommend to my colleagues an initial grant of $12,500,000 to be included in the supplementary estimates; and they accepted that recommendation. But I did not attempt to relate that to any particular percentage or to any particular figure. It seemed to me it was the appropriate amount to pay at this time.

Mr. Knowles: Was there any discussion between federal officials and provincial officials as to the kind of losses they might cover? I appreciate what the minister has said and what the Prime Minister has said, namely that this is a provincial government responsibility, that they will make the decision and that Ottawa will offer what money it sees fit to offer. But I am wondering if there was with the Manitoba officials any discussion that might guide them in deciding how far they would go. For example, what about losses that farmers will suffer where they are not able to put crops in for the year? What about this question which the provincial government seems to have decided upon, namely that no compensation will be made out of government moneys for losses of personal effects, furniture and so on and that that matter has been left to the voluntary fund. I am wondering whether that matter was discussed with the Manitoba officials.

Mr. Abbott: No. So far as I am aware, there were no discussions, Mr. Chairman. The types of losses for which indemnity was given in the Fraser valley are, I understand, fairly well known and those were no doubt available to the officials of the Manitoba government. But there was no discussion either between myself and the members of the Manitoba government or, so far as I am aware, between my officials and the officials of the Manitoba government.

[Mr. Abbott.]

Mr. Knowles: In other words, the complete responsibility as to what amount of money is to be asked for rests with the government of Manitoba?

Mr. Abbott: I would think that is correct, yes.

Mr. Knowles: Can the minister say whether it will be possible to pay an additional sum of money between now and the next session of parliament, if it should be called for? This is only an initial grant.

Mr. Abbott: I would think that, under this heading, this would have to stand until there is a further vote of parliament. Under the subsequent grant—that is, 75 per cent for safeguarding against dangers of floods in future—I would think that if diking work were proceeding that would be an appropriate case for the use of a governor general's warrant if the money voted here were not sufficient to cover the dominion's share during the period in question.

Mr. Knowles: I take it that one is justified in noting that this $12,500,000 is only an initial grant?

Mr. Abbott: That is correct.

Mr. Knowles: In other words, we are justified in assuming that there will be a further sum of money later on?

Mr. Abbott: If the facts justify it, yes. As the Shaw-Carswell report indicated and as they pointed out clearly, while I think they did an extremely fine job and made what I think is a fair estimate, it is quite obvious that at this time it is not possible to evaluate fully the losses which may have been sustained.

Mr. Knowles: I noted that the minister said that further money would be available if the facts justified the need for it. None of us here are experts in assessing these things, but from the reports that are still coming in of the extent of the damage that people find as they get back into their homes, I am sure that considerably more money than this will be needed; and I hope the Manitoba government will ask for it.

The Chairman: Shall the item carry?

Mr. Diefenbaker: I should like to ask the minister the percentage basis upon which

items 678 and 679 were determined; that is the amount of grant to meet the cost incurred as the result of fire—

Mr. Abbott: Are we going to try to pass this item? We are on item 676 at the moment.

Mr. Diefenbaker: I beg your pardon. I thought they were all together.

Mr. Abbott: We could take them all together. I should be happy to do that. I have no objection.

Mr. Diefenbaker: I am sorry; as I say, I thought they were all together.

Mr. Abbott: It is all right. Go ahead.

Mr. Diefenbaker: I thought those items were all under one heading.

Mr. Abbott: They are four separate items.

Mr. Diefenbaker: I would ask the minister the basis upon which the determination was made for the authorization of the advance to the city of Rimouski and to the town of Cabano. In asking that question I immediately say that there is no suggestion of any criticism; for I come from a province that on more than one occasion has received assistance from the dominion as a whole, when drought and difficulty struck our people. It is in items such as this that we indeed show that no matter from what part of the country we come there is a comradeship that demands assistance by all Canadians. I know that there will be no criticism anywhere in this dominion of the assistance being given to Rimouski or Cabano, for people everywhere regarded those two disasters as deserving the assistance of the dominion as a whole.

Having regard to the report received from the province of Manitoba, I think the minister should be in a position to answer that one request made by the hon. member for Winnipeg North Centre with respect to farmers in the area of the Red river. I believe that some sixty per cent of the area affected will not be farmed this year, and the provisions of prairie farm assistance cannot and will not compensate in any way the farmers resident there for the loss that they will have suffered. I feel that the people as a whole—

Mr. Knowles: Unfortunately, there is no mention of that in the Shaw-Carswell report.

Mr. Diefenbaker: I appreciate that fact. But I feel that consideration should be given to assisting the farmers affected by that flood. The Prime Minister was in Winnipeg. He visited the scene of the disaster. I know that the farmers there are asking for consideration. When I speak of the Red river, I know whereof I speak; for my forebears were driven out of there in 1826, in the famous flood of that year. That is a long while ago, but none the less it indicates that this area is subject to floods which are disturbing in their intensity; and I feel that the farmers there deserve consideration by the government, even though it is not recommended in the report.

Mr. Abbott: I expect that the Manitoba government, which has the responsibility, will take those circumstances into consideration.

Mr. Knowles: There is no sign of it yet.

Mr. Abbott: I think I am right in saying that crop damage was not the subject of compensation in connection with the Fraser valley floods of 1948.

To reply to my hon. friend's first question, the amount of the grant to Rimouski and to Cabano was arrived at on the basis of the report of the joint dominion-provincial commission composed of Brigadier Theriault and Mr. Laurent and is a matching grant with that which is being made by the provincial government of Quebec. Broadly speaking, that is the basis upon which it was arrived at.

Item agreed to.

At six o'clock the Speaker resumed the chair and the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

VACANCY

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

Dominion of Canada House of Commons

To the Honourable the Speaker of the House of Commons:

I, Georges-Emile Lapalme, member of the House of Commons of Canada, for the electoral district of Joliette-L'Assomption-Montcalm, do hereby resign my seat in the said House of Commons, for the constituency aforesaid.

Given under my hand and seal at Ottawa, this 23rd day of June, 1950.

G. E. Lapalme

L. R. Beaudoin, M.P.
Witness

Jean Lesage, M.P.
Witness

Accordingly I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

The house in committee on Bills Nos. 223 to 234 inclusive, 238 to 248 inclusive, 253

to 262 inclusive, 270 to 300 inclusive, 304 to 306 inclusive, Mr. Dion in the chair.

Bill No. 223, for the relief of Marilyn Ruth Cohen Novak.—Mr. Winkler.

Bill No. 224, for the relief of Mary Elizabeth Bernatchez Russell.—Mr. Winkler.

Bill No. 225, for the relief of Winnifred Evelyn Thompson Clift.—Mr. Winkler.

Bill No. 226, for the relief of Maida Maria Howard Martin.—Mr. Winkler.

Bill No. 227, for the relief of June Hedy Leshynska Thompson.—Mr. Winkler.

Bill No. 228, for the relief of Rosemary Smalley Carrier.—Mr. Winkler.

Bill No. 229, for the relief of William Arthur Goodson.—Mr. Winkler.

Bill No. 230, for the relief of Dorothy Melbourne Davis Wand.—Mr. Winkler.

Bill No. 231, for the relief of Frank Lear Rogers.—Mr. Winkler.

Bill No. 232, for the relief of Roma Leduc. —Mr. Winkler.

Bill No. 233, for the relief of Edna Rosaline Casavant Dufresne.—Mr. Winkler.

Bill No. 234, for the relief of Leo Berger.— Mr. Winkler.

Bill No. 238, for the relief of Katherine Madge Samworth Monty.—Mr. Winkler.

Bill No. 239, for the relief of Clara Rosen Freedman.—Mr. Winkler.

Bill No. 240, for the relief of Frances Berman Mellor, otherwise known as Sharie Sinclaire.—Mr. Winkler.

Bill No. 241, for the relief of Rodolphe Durand.—Mr. Winkler.

Bill No. 242, for the relief of Helen Leck Karaszi.—Mr. Winkler.

Bill No. 243, for the relief of Sadie Chernin Petruska, otherwise known as Sadie Chernin Prince.—Mr. Winkler.

Bill No. 244, for the relief of Audrey Phyllis Angela Blom Rochfort.—Mr. Winkler.

Bill No. 245, for the relief of Patricia Ruth Segall Wener.—Mr. Winkler.

Bill No. 246, for the relief of Sophie Piatkowski Demyk.—Mr. Winkler.

Bill No. 247, for the relief of Hilda Brooks Nangreaves.—Mr. Winkler.

Bill No. 248, for the relief of Zemelia Katrina Ayoub MacDonald.—Mr. Winkler.

Bill No. 253, for the relief of Margaret Mary Hamel Whittaker.—Mr. Winkler.

Bill No. 254, for the relief of Lewis Benjamin Wyman.—Mr. Winkler.

Bill No. 255, for the relief of Edna Dora Tucker Conley.—Mr. Winkler.

Bill No. 256, for the relief of Dorothy Marguerite Lester McBride.—Mr. Winkler.

Bill No. 257, for the relief of Josephine Rood Trottier.—Mr. Winkler.

Bill No. 258, for the relief of Margaret Irene Sinden Brown.—Mr. Winkler.

[Mr. Speaker.]

Bill No. 259, for the relief of Camille Poulin.—Mr. Winkler.

Bill No. 260, for the relief of Elisa Macdonald Mitchell Brock.—Mr. Winkler.

Bill No. 261, for the relief of Theodore Levasseur.—Mr. Winkler.

Bill No. 262, for the relief of Mary Marguerite Harvie Fine.—Mr. Winkler.

Bill No. 270, for the relief of Joseph Lucien Andre Bergeron.—Mr. Winkler.

Bill No. 271, for the relief of Thelma Leggo Chicoine.—Mr. Winkler.

Bill No. 272, for the relief of Anna Kathleen Olga McCone Shaw.—Mr. Winkler.

Bill No. 273, for the relief of Martin Luke Marlow.—Mr. Winkler.

Bill No. 274, for the relief of Helena Wilhelmina Thornburg Lawton.—Mr. Winkler.

Bill No. 275, for the relief of Bonnie Ruth McNab Sarrasin.—Mr. Winkler.

Bill No. 276, for the relief of Lyndia Betsy Mayes Bernier.—Mr. Winkler.

Bill No. 277, for the relief of Sarah Modlinsky Markis.—Mr. Winkler.

Bill No. 278, for the relief of Anna Patiris Sarakinis.—Mr. Winkler.

Bill No. 279, for the relief of Julia Ann Ramsell Blane.—Mr. Winkler.

Bill No. 280, for the relief of Cyrile-Orance-Horence Presseau.—Mr. Winkler.

Bill No. 281, for the relief of Paul Edmond Meerte.—Mr. Winkler.

Bill No. 282, for the relief of Charles George Storey.—Mr. Winkler.

Bill No. 283, for the relief of Mary Muriel Inez Larman Jarry.—Mr. Winkler.

Bill No. 284, for the relief of Mary Zilda Alix Runcie.—Mr. Winkler.

Bill No. 285, for the relief of Aili Esteri Kankaanpaa Toebben.—Mr. Winkler.

Bill No. 286, for the relief of Pierre Bouchard.—Mr. Winkler.

Bill No. 287, for the relief of William Aubrey Ricardo Aird.—Mr. Winkler.

Bill No. 288, for the relief of Marguerite Carmen Samson Wrigglesworth.—Mr. Winkler.

Bill No. 289, for the relief of Andrew Cerat.—Mr. Winkler.

Bill No. 290, for the relief of Marie Lucille Giselle Roy Veilleux.—Mr. Winkler.

Bill No. 291, for the relief of Mabel Pearl Speirs Lazor.—Mr. Winkler.

Bill No. 292, for the relief of Lena Grace Connolly Hibberd.—Mr. Winkler.

Bill No. 293, for the relief of Lilian Ferguson Gardner.—Mr. Winkler.

Bill No. 294, for the relief of Marion Leonard Ryan.—Mr. Winkler.

Bill No. 295, for the relief of Joseph Georges Neville Poirier.—Mr. Winkler.

Bill No. 296, for the relief of Marie Gisele St. Laurent Therrien.—Mr. Winkler.

Bill No. 297, for the relief of Norah Nichol Meighen Allan.—Mr. Winkler.

Bill No. 298, for the relief of Dora Eleanor Chalmers Grisley.—Mr. Winkler.

Bill No. 299, for the relief of Ruth Desiree Morrissette Chevalier.—Mr. Winkler.

Bill No. 300, for the relief of Richard Martello Johnston.—Mr. Winkler.

Bill No. 304, for the relief of David Allan Ferguson.—Mr. Winkler.

Bill No. 305, for the relief of Ann Louise Fuller Brais.—Mr. Winkler.

Bill No. 306, for the relief of Helen Leola Davidson Hunter.—Mr. Winkler.

The Chairman: Shall I report the bills?

Mr. Knowles: Will the hon. member for Lisgar (Mr. Winkler), the chairman of the committee that deals with these bills, tell us how many divorces this will make that we have put through at this session?

Mr. Winkler: I cannot tell how many we have put through, but there are sixty-seven tonight.

Mr. Knowles: About three hundred, is it not?

Bills reported, read the third time and passed.

ASSOCIATION OF KINSMEN CLUBS—CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 312, to incorporate the Association of Kinsmen Clubs.—Mr. Benidickson.

PIPE LINES ACT

PROVISION FOR LOCATION OF MAIN LINE ENTIRELY WITHIN CANADA

On the order:

Resuming debate on the motion of Mr. Sinnott for the second reading of Bill No. 132, an act to amend the Pipe Lines Act, and on the proposed amendment thereto of the Minister of Trade and Commerce.

Mr. Green: Mr. Speaker—

Mr. Speaker: Order. Bill stands. The sponsor is not here.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the debate on second reading was commenced on June 16 and an amendment was moved by the Minister of Trade and Commerce (Mr. Howe) for a six months' hoist. Several hon. members spoke, and then the debate was adjourned by the hon. member for Winnipeg South (Mr. Mutch). Therefore he would have had the right to speak first this evening, were he here. He is not here, but I submit if some other hon. member wishes to speak on this bill he is at liberty to do so.

The bill is now before the House of Commons and because someone wishes to shout "stands" is no reason why a member should not be permitted to go on and discuss the bill. I submit there is no such provision in the rules.

Mr. Speaker: It has not been the custom in this house to proceed with a bill introduced by a private member unless that private member is here at the time. The procedure is similar to that followed in respect of bills introduced by the government. If the minister sponsoring the bill is not present, the bill stands, unless the government indicates otherwise. It has always seemed to me that a private member should have the same right in respect of a bill which he has sponsored. I have given the matter consideration and I would be prepared to give a ruling.

Mr. Stanley Knowles (Winnipeg North Centre): Before Your Honour gives a ruling may I say just a word. I realize that it has been the practice, for the most part, not to go ahead with a public bill when the sponsor was not here, but I submit that that is only a matter of courtesy, which in turn depends upon the circumstances involved. When a motion of this kind is in the possession of the house it should be the right of all hon. members who are here to debate it if they wish. I submit for Your Honour's consideration that if the other practice were made firm it would mean that a member could introduce a bill, start the debate with his own speech, and then prevent its being discussed further by the simple expedient of being absent.

I point out that when we have the debate on the address in reply to the speech from the throne we do not require that the mover and seconder be in the chamber when the debate is resumed; once the debate has been started and the matter is in the possession of the house, it goes on. So it is with bills. They are started with a minister in the house but many times we go on with a bill in the absence of that minister because the matter is in the possession of the house.

I suggest that it would be a dangerous practice to make firm that a bill should not be proceeded with because of that fact or it would make it possible for a member to introduce a bill, for whatever reason or motive he might have, and then prevent the house from going ahead with it. On the other hand, I suggest that after those who want to speak have spoken, if someone wants to move the adjournment of the debate, that would be in order. I do not think the hon. member for Vancouver-Quadra (Mr. Green) should be prevented from speaking to this bill which is in the possession of the house, merely because the hon. member for Spring-

field (Mr. Sinnott) is not here or, shall I say, because the Minister of Trade and Commerce (Mr. Howe) is not here. It happens to be the minister's amendment for a six months' hoist that is now before the house.

Mr. Green: On the point of order, I submit that as the Minister of Trade and Commerce (Mr. Howe) moved the six months' hoist this bill should be given consideration by Your Honour. That fact should be in favour of permitting me to go ahead with my speech. Otherwise the result will be that the Minister of Trade and Commerce has been able to kill this bill without having his motion debated. As a matter of fact, he came into the chamber and moved the amendment and then did not offer any argument in support of it.

If Your Honour gives a ruling that we cannot go on now unless the hon. member for Springfield (Mr. Sinnott) is here, then all that needs to be done by the Minister of Trade and Commerce is to suggest to the hon. member for Springfield that he stay away and the Minister of Trade and Commerce will have achieved his desire for killing the bill without having given us an opportunity to discuss his amendment. I submit that that is beyond all reason.

Mr. Speaker: I have never known of a private bill or of a public bill which has been introduced by a private member being proceeded with in his absence without his consent.

Mr. Green: We did that on the pipe lines bills.

Mr. Speaker: Presumably with the consent of the hon. member who introduced the bill. At times bills have been proceeded with when the hon. members who introduced them were not in the chamber, but in such instances some member has stated that he has the approval of the member who introduced the bill to proceed with it. The hon. member for Winnipeg North Centre (Mr. Knowles) has referred to the speech from the throne, but it is assumed in that debate that the mover and the seconder approve of the debate continuing. If for any reason that debate were not to be continued I would think that arrangements would be made and that the house would be informed accordingly.

I do not think I should depart at this time from practice and allow the debate on this bill to continue in the absence of the hon. member who introduced it, and of the minister who moved an amendment. I therefore rule that under our practice an order for resuming the adjourned debate on the second reading of a private member's bill is proceeded with only at the instance of the sponsor of the bill or of a member authorized to act on the sponsor's behalf. Otherwise the order is allowed to stand until the next sitting day. This would appear to be what is contemplated by standing order 18 which reads as follows:

> (1) Questions put by members and notices of motions, not taken up when called may (upon the request of the government) be allowed to stand and retain their precedence; otherwise they will disappear from the order paper. They may, however, be renewed.
>
> (2) Orders not proceeded with when called, upon the like request, may be allowed to stand retaining their precedence; otherwise they shall be dropped and be placed on the order paper for the next sitting after those of the same class at a similar stage.

Under this order a member of the government who has introduced a bill can, upon request, have it stand. A private member who has introduced a bill should be accorded, and is under our practice accorded, an equal right. It is also our practice to allow a bill to stand when the member who has sponsored it is not present and has not authorized another member to act on his behalf. In other words, the absent member is deemed to have requested that the bill stand until the next sitting day.

Mr. Green: Will the same ruling apply every time private bills come up?

Mr. Speaker: If the member sponsoring it is not here or if someone is not authorized to speak on his behalf. Another bill was called tonight and it stood because the hon. member who had introduced it was not here. This bill is in the same position as the one introduced, I think, by the hon. member for Assiniboia (Mr. Argue).

Mr. Knowles: If any hon. member wishes to debate that bill he can go ahead.

An hon. Member: Oh, no.

Mr. Knowles: I say that on behalf of the hon. member for Assiniboia.

Mr. McIvor: I should like to say a word on behalf of the hon. member who is not present.

Mr. Speaker: I have given my ruling and it is not debatable. The business under the heading of private and public bills having been concluded, the house will resume the business under consideration at six o'clock.

Order stands.

SUPPLY

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

DEPARTMENT OF RESOURCES AND DEVELOPMENT

National film board—

401. Administration, production and distribution of films and other visual materials, including authority

to finance temporarily work performed for other public authorities or other agencies as the public interest requires, $2,092,413.

Item agreed to.

National film board—

402. Acquisition of equipment, $118,604.

Item agreed to.

Mr. Fournier (Hull): I move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

NATIONAL FILM BOARD

PROVISION FOR APPOINTMENT OF GOVERNMENT FILM COMMISSIONER, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved the second reading of Bill No. 317, respecting the national film board.

Mr. Green: On a question of privilege, the statement made last night by the Minister of Public Works (Mr. Fournier) was that the film board estimates would be taken up before we went ahead with the bill. I am afraid some of our people are not here.

Mr. Winters: They were just passed.

Mr. Fournier (Hull): Mr. Speaker, there are two items in the estimates for the national film board, Nos. 401 and 402, and they were carried. Having nothing before the house we have reverted to the National Film Act.

Mr. Green: They went through in a rush. Will the minister make a statement?

Mr. Winters: Perhaps I should make a few remarks in moving second reading of the bill entitled "an act respecting the national film board". First, it might be helpful to hon. members if I again reviewed briefly the history of the development of the board which was established by the National Film Act in 1939. As early as 1914 there existed in the Department of Trade and Commerce an exhibits and publicity bureau whose functions included the production of motion pictures and still photographs designed to promote external trade. Later, in September, 1918, other government departments were required to consult with this bureau on their purchase of films. Then in 1921, this agency was reorganized as the Canadian government motion picture bureau.

For the next eighteen years, the motion picture bureau continued as the government film producing agency. At times, however, individual government departments entered into arrangements with outside private producers for films. During this period motion pictures were growing in importance as an instrument of public policy. In due course it was considered expedient to establish a board comprising members from various phases of our national scene to advise the government as to how this medium might be used to best advantage to interpret Canada to Canadians and other countries.

Accordingly, in 1939, the national film board was set up under the National Film Act to be the co-ordinator, adviser and general supervisor of government film activities. The board, with the film commissioner as its chief executive officer, was given power to administer funds voted to it by parliament for making films. Actual production, however, remained with the motion picture bureau. In 1941, in a move toward greater efficiency, the motion picture bureau was transferred from the Department of Trade and Commerce to the control of the national film board, and the government film commissioner assumed the duties of director of the bureau.

In time it became apparent that the National Film Act of 1939 had not contemplated an operation of the kind in which the board had become engaged, especially under the impetus and stress of wartime conditions. Difficulties were experienced in fulfilling the purposes laid down in the act. Although the board had a continuing program of production, the great majority of its personnel were employed for three-month renewable periods. Other difficulties were experienced in financing and accounting, and in making contracts for the distribution of films.

Recognizing the difficulties under which the board was operating, and at the same time wishing to obtain an independent expert opinion about the business management of the board, on November 15, 1949, I asked Messrs. J. D. Woods and Gordon, a firm of business management consultants, to examine the board's organization and business administration, and I informed the house accordingly on December 7, 1949. The report submitted by this firm was tabled on March 29, 1950. Members of the house have had an opportunity of studying it, and will see that it recognizes the difficulties and offers certain solutions.

The recommendations contained in the report fall into two main categories, those relating to internal organization and administration, and those requiring legislative action. A number in the first group have already been implemented. To give effect to the changes which require legislative authority the bill, with respect to which I have the honour to move second reading, includes provisions which, if implemented, will:

1. Define clearly the functions of the board in conformity with its actual operations.

2. Reconstitute the board on a basis intended to make it possible to carry out these functions efficiently.

3. Confer on the board powers appropriate to these functions and clearly establish the board's responsibility to parliament through a designated minister of the crown.

4. Establish executive machinery designed to make efficient administration possible.

5. Confer power to staff the board and to bring continuing members of the staff under the Civil Service Superannuation Act.

6. Establish financial arrangements suited to the board's present operations.

The basic principles of the bill are that the board shall be responsible through a minister to parliament; that the powers necessary to carry out the functions of the board shall be vested in this board; and that the commissioner shall be responsible to the board and shall be its chief executive officer charged with the administration of its operations.

The bill defines the board as an agency to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations. It seeks authority for the board to represent the government of Canada or any department thereof in the securing of motion picture films from persons engaged in film activity; to engage in film research, and to act as adviser to the governor in council in connection with film activities.

In accordance with the recommendations of the business consultants, the bill contains provisions whereby ministers of the crown would no longer be members of the board, that the number of members would be increased from eight to nine, that the commissioner be chairman, and that the number of members from outside the government service be increased from three to five. Power is sought for the board to enter into contracts, acquire copyrights and patents and, with the approval of the minister, to make bylaws for the carrying out of the purposes of the bill.

The duties of the film commissioner as the chief executive officer of the board are defined. It is proposed that he be given the responsibility for the administration of the board's operations and authority, subject to the bylaws of the board, to exercise its powers.

Under the terms of the bill authority is sought to formulate a plan of organization for the establishment and classification of the continuing positions necessary for the proper functioning of the board and to enable the board to employ staff for these continuing positions during pleasure and for fixed terms. The benefits of the Civil Service Superannuation Act would be extended to staff employed on this organization plan. Over and beyond this organization plan, authority is sought to employ personnel for temporary work from time to time as conditions require. These employees would not be eligible for the benefits of the superannuation act.

A financial structure designed to enable the board to operate efficiently is proposed. As at present, finances would be obtained through direct appropriation by parliament, and by moneys transferred from other government departments in payment for film and other services. One of the most important financial provisions sought is the establishment of a national film board operating account in the consolidated revenue fund to which all operating expenditures of the board would be charged, and to which all moneys received from operations would be credited. There is a provision that expenditures shown in the operating account must not at any time exceed receipts by more than $700,000. The effect of this is to furnish the board with working capital to the extent of $700,000. Under this arrangement profits would be transferred to the receiver general and deficits would be met only by direct appropriation by parliament. All capital expenditures would require appropriation by parliament.

The receiving and paying of cash would still be handled by the comptroller of the treasury. The Consolidated Revenue and Audit Act would still apply to the board's operations. The board's account would be open to audit by the comptroller of the treasury, and the Auditor General's office would continue to review its operations.

Perhaps I should explain why the bill is being introduced at this late date in the session. At the last session I informed the house that where there were weaknesses and deficiencies in the board we would move as quickly as possible to rectify them. The new commissioner assumed his duties on February 1, and the report of the management consultants was dated March 22, 1950. It was natural to expect that the new commissioner would require some time to familiarize himself with the board and its operations, but nevertheless I asked him to take whatever steps were necessary to bring forward in legislative form the recommendations set forth in the Woods-Gordon report which it appeared desirable to have implemented but which required legislative action. The members of

the board co-operated wholeheartedly, and the commissioner and his staff, in co-operation with the officers of the Department of Justice, worked with speed and determination with the result that the bill was prepared.

It was then necessary to make a decision as to whether it should be introduced at this late date or deferred until the next session. When all factors were considered, it was decided that hon. members should be given an opportunity of dealing with the bill even at this late date, and to enact legislation which would enable the board to operate in a sounder, more efficient manner to perform its basic function of interpreting Canada to Canadians and to other nations.

Mr. Cardiff: I do not know whether I am in order in asking this question now, but if not the minister will correct me.

Mr. Winters: If the questions are detailed I would suggest that we wait until the committee stage, if that is acceptable to the hon. member.

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

On section 1—*Short title.*

Mr. Cardiff: What was the total revenue received in 1949 from the sale or lease of the "Canada Carries On" series, in Canada? When the minister has answered that I will ask another question.

Mr. Winters: The net revenue last year from the series "Canada Carries On" in Canada was $6,430.40.

Mr. Cardiff: And what was received from outside Canada?

Mr. Winters: For the "Canada Carries On" series the revenue was very small. The total theatrical revenue received last year was $21,271. As I explained when the estimates were before the committee, "Canada Carries On" is not carried as a series outside Canada.

Section agreed to.

On section 2—*Definitions.*

Mr. Stewart (Winnipeg North): Would the minister tell us what is going to be the fate of the accounts receivable mentioned in the film board report? Apparently there is some $43,689 in unpaid accounts which have been outstanding for more than a year, including some $2,000 odd which is more than five years overdue. Will the board be given power to write off these accounts if they are uncollectable, or will it try to collect them?

Mr. Winters: We have been trying to collect these accounts and in fact have collected some. Under the act we are seeking authority for the board to write off these old, uncollectable accounts.

Section agreed to.

Sections 3 to 8 inclusive agreed to.

On section 9—*Purposes for which board established.*

Mr. McLure: Under this section I see the object and purpose of the board is to promote the production and distribution of films designed to make Canada known to Canadians and to the people of other countries. In this connection I want to deal with a little matter that was overlooked some time ago when we were going through the minister's estimates. For the advertising of the national park in Prince Edward Island to the outside world the greatest credit must go to a famous authoress, Lucy Maude Montgomery, who made known to the world not only her home of Cavendish but the province at large. I should like to know from the minister whether there is any co-operation between the provincial government and his department in reference to historic sites or memorials to outstanding people in Prince Edward Island.

When the national park was purchased by the provincial government and handed over to the federal government, with it was purchased the birthplace of that well-known lady. Now I understand that as a result of unsatisfactory arrangements between the provincial government and this department, this property has been sold to a private individual, and the people of that section of the country are very much up in arms about it. They understood this property was still in the hands of the national park people, which would bring it under this item of resources. Now that they know it has been sold they are organizing a movement to see if they cannot get the federal government to buy back this property and make it into what it should be, an attraction for tourists coming to that part of the country.

I should like to know from the minister, if he has any information on the subject, whether the provincial government sold this property without notice to the federal government, because it was generally understood that this quaint old building was in a part of the national park that had been handed over to the federal government. The people generally throughout Prince Edward Island resent the fact that this property was sold with no one knowing anything about it with the exception of the provincial govern-

ment. If the minister would take some interest in it and suggest some way by which we could get this back for the people of that part of the country, to be handed over again to the government as part of the national park, they would appreciate it very much indeed.

Mr. Winters: That is a matter coming more within the jurisdiction of the national parks branch of the department than under the film board. I have no information at hand at the moment, but I shall be glad to look into it and get in touch with the hon. member later.

Mr. McLure: I brought the matter up under the film board act because last year and the year before the film board people were down there taking pictures, and I understand they took a good many pictures of this old residence. For some reason, however, all those pictures were cut out of the advertising. Whether that was done under instructions from this government or the provincial government I have yet to find out, but I am endeavouring to do so and I hope to get some information on it.

Mr. Smith (Calgary West): I have a number of questions to ask the minister on this section. The main portion reads:

> The board is established to initiate and promote the production and distribution of films in the national interest—

Who is to decide whether or not a film is in the national interest? That is my first question; perhaps I had better continue, then at one fell swoop the minister can take care of all my difficulties. I like the expression "interpret Canada to Canadians." I assume someone will decide that that is in the national interest, and I should like to know who the person or persons are.

Then paragraph (b) of section 9 reads:

> to represent the government of Canada in its relations with persons engaged in commercial motion picture film activity in connection with motion picture films for the government or any department thereof;

Does that mean that a department of government, feeling that it needs a film for advertising some activity of its own, must move through this board in dealing with other persons who might like to produce that film? Is that the meaning of the section?

Mr. Winters: Perhaps I might answer this question now, and answer the first question at the same time. Under this bill we are seeking authority to have a board set up. There is a board set up under the present act consisting of the chairman, deputy chairman, and six members. We are seeking authority to expand that board so as to get a better coverage of the Canadian scene. We think that such a board is the best means for determining whether or not a certain topic is in the national interest and to have it recorded on film.

With regard to the second point my friend brought up, I would say that, in the first instance, if a department wanted a film made and wanted some private company to produce the film, it would approach the problem through the national film board. But that does not mean that, once the arrangements were made with the private company, the contracting department could not deal directly with the private film maker.

Mr. Smith (Calgary West): Is the minister going to exclude this commercial corporation which we set up the other day with such tremendously wide powers? It may be that a department wants to buy a film already made. Does this provision mean that the department cannot buy it without going through this board? In other words, is this not what we are doing? We are taking away the discretion and authority of persons in government departments, who are assumed to know their business rather well. Are we not just saying: Here is a new agency—when I use the word new I realize that perhaps we have had similar agencies—and through this agency thou shalt act. Has the minister contemplated some of the real difficulties that might get the board into with the various departments of government?

In other words, we shall say the defence department has to buy through the Canadian Commercial Corporation. Has that company got to go to this board before a training film can be bought which was produced in the United States or England? Can they not just go out and buy it? Surely they should be able to buy it without being limited, both in the negotiations and in the purchase, by this or any other board.

I move on to the next paragraph, and I am going to ask the minister just why it is so narrow. Paragraph (c) reads as follows:

> to engage in research in film activities and to make available the results thereof to persons engaged in the production of films.

Why in the world are we going to have a research agency set up, paid for by the government, and permit that agency to make the results of its inquiry known only to persons engaged in the production of films? Are we not limiting the thing too greatly? In other words, we are going to assist certain people to the exclusion of other people. Let us say that the minister and I think we would like to go into the business of making films. We form our company, but we cannot get the benefit of anything done by this research organization for which the people

are paying. We have to be engaged in the production of films, and I assume that to mean the active production of films.

I am making the two suggestions that I have in no critical sense. But when we set this up we want something that is workable. I do not know why we do not leave it to someone, to the board if you like, to make this research information available to anyone. By the draftsmanship of this statute, what we may have done is to make it impossible for the research organization to make available to departments of government the discoveries which they have made. Putting in those words, persons engaged in the production of films, limits the provision. Before the section passes the minister might give some consideration to that, because I am quite sure he wants the board to be effective, and does not intend to make this narrow limitation which obviously arises from a reading of the section.

Mr. Winters: Mr. Chairman, this paragraph (b) of section 9 upon which my friend commented is intended to make the film board the agency of government for the field of films. It is, to all intents and purposes, a continuation of the function the film board is authorized to carry out under the existing act.

Paragraph (c) of section 9 was intended to be permissive rather than restrictive. It was to authorize the film board to make available the results of whatever research it carried out. The research it carries out is intended to be in the field of production, and it was contemplated therefore that the only people who would be concerned with it would be people engaged in the production of films. There is no intention to limit it at all. So far as I am concerned, I would be pleased to make any information available on a broader basis than would appear to be expressed in the interpretation my friend puts on this paragraph.

Mr. Smith (Calgary West): I am in agreement about what the intention is, and it is a very good intention. But when we are dealing with statutes, which are exact things, we should be particular. If a statute is passed giving A authority to do something in relation to B, then it becomes exclusive if it is a right set up in favour of A. It is for that reason I am somewhat concerned about it. I do not know why we want to tell the board that they may or may not make their findings available to anyone. Why could we not simply pass the paragraph in the following terms:

> To engage in research in film activity and to make available the results thereof.

We would not need to add those last words, "to persons engaged in the production of films". Perhaps it is not so important, but these things are much better taken care of early, instead of waiting until perhaps we run into difficulties later on. I am not going to move any amendments or anything like that, but I suggest to the minister that the thought I have put forward is probably worth consideration in order to carry out his expressed intention of what he seeks to accomplish.

Mr. McCann: I am not undertaking to answer any questions that are directed to the minister, but having been a member of the film board for a number of years, having been at one time the chairman of it, and having taken an interest in the formulation of this legislation, I consider that a proper answer to the hon. member for Calgary West probably is to explain what was intended in the legislation and to point out that the paragraph states:

> To engage in research in film activity and to make available the results thereof to persons engaged in the production of films.

That is a positive direction that this must be done. It is just the same as in any other department. In the Department of Mines and Technical Surveys of which I have charge we do a great deal of work, but it is not either necessary or economical that all that knowledge should be given to the whole country; it is, however, given to the people who are engaged in that particular business. It is the same with this particular point at issue. I think that this is a positive direction to the film board to distribute to the people who are in that industry the result of any experimental work that they have done, with a view to keeping them informed of their activities and with a view to promoting the efficiency of the organization. The film industry of this country is growing to be quite a size. There are a number of firms in it such as radio news, associated screen news, people here in Ottawa such as Crawley films, people in Toronto and others throughout the whole country, who are engaged in what is becoming an important new activity. I can readily understand, as I think all hon. members can, that they are not all in a position to do experimental work in film development. In keeping with what is done in other departments, I submit that that is the sort of educational and experimental work that can well be done at government expense; and by this clause they are directed to pass on to the people who are in the industry any advancements there are in that line.

Mr. Smith (Calgary West): I agree entirely with everything that the minister has just

said. My worry is as to its exclusiveness. I am going to try to construct something for the minister who has just spoken. In surgery, about which the minister knows a great deal, we know that films are used much more now than they were many years ago. For example, I know of one institution in Rochester in which practically everything that is done is recorded on film.

Let us take, for example, a hospital in the city of Ottawa. Research in connection with operative matters is an important thing today. Let us take, for instance, the Ottawa Civic Hospital. Whether they make their own film or not, I do not know. It may be that the surgeons that are operating may do it. I am agreeing with what is intended, but what I am worried about is this. I do not want it limited so that we could not say to the civic hospital: Here, by way of research we have learned something. Assuming that the hospital itself is not engaged in the manufacture of film, nevertheless I think it would be something of importance to any hospital that they should have available to them the result of research in this organization. I am, however, not going to say anything more about it. But I submit that, instead of carrying out the intention expressed by both ministers, we are perhaps needlessly limiting the power of this board.

Mr. Cote (Matapedia-Matane): I should like to add one word in reply to the hon. member for Calgary West. Paragraph (c) reads as follows: "to engage in research in film activity", and not in any other. Suppose, for instance, that the film board succeeds in developing a device with which to record the third dimension, something which has been tried by so many countries of the world. Suppose we are successful in this country. I do not think anybody but the industry or the film board would be concerned, to begin with. As the minister has said, I think it would be extremely costly to do as the hon. member has suggested. I know that my hon. friend for one and his party for another are extremely touchy about the expenditures of this government. If we limit the application of this paragraph (c) to research in film activity, I think that is proper. I do not think this information with regard to the third dimension, for instance, should be given to all kinds of people at the expense of the government, but only to people who are really interested in that particular thing. I think the paragraph should stand as it is. That is a mere suggestion. But as my hon. friend has suggested, I think there is no reason why there should not be ways and means to make available through films to all kinds of trades and human activities the results of human endeavour. As far as the film board activities are concerned, however, I think the provision of information should be limited for the time being to the trade. The costs will be much less.

[Mr. Smith (Calgary West).]

Mr. Jeffery: If the hon. member for Calgary West, who was referring to the section dealing with the purpose of the board, will look at section 10, subsection 1, paragraph (h), I think he will see the answer to his question.

Mr. Green: Can the minister explain just what the relationship would be between the national film board and the national research council in connection with research work? Some of us are on the special committee looking into the activities of the national research council, and we find that that council—whose business is, after all, research for all departments of government—has been doing effective work for many of the departments. Why is it not possible for the research council to do the research work for the national film board? I have not had time to check the old National Film Act but in a quick glance at that act I do not see any power there given to carry on research work. It does seem to me that in this method there might be a duplication of services. Why not have the problems of the national film board, which are research problems, performed by the national research council in co-operation with the film board? The research council seems to be able to co-operate with the other departments of government, including the Department of National Defence; and I should think we could save quite a bit of money and perhaps get more efficient research if we allowed the research council people, whose business it is to do research, to look after that type of work for the national film board.

Mr. Winters: Mr. Chairman, there is the closest co-operation. In fact, some of the people in the national film board who are on research are actually working in the national research council. However the nature of the work is such that they must have a good knowledge of film activity. Therefore it is a more efficient approach to have them on the strength of the national film board, although actually working in the national research council. There is that degree of co-operation.

Mr. Green: It seems to me that to state that research is one of the purposes for which the board is established is to put the emphasis in the wrong place. It might be all right to include in the powers of the board under section 10 the power to do research. Here, however, we are saying that these shall be the important jobs of the national film board:

(a) to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations;

(b) to represent the government of Canada in its relations with persons engaged in commercial motion picture film activity in connection with motion picture films for the government or any department thereof.

Then we come to paragraph (c) which refers to research, and go on to the next paragraph as follows:

(d) to advise the governor in council in connection with film activities;

(e) to discharge such other duties relating to film activity as the governor in council may direct it to undertake.

I suggest that to engage in research in film activities is out of place as one of the main purposes for which the board is established. If some power is needed, then let it be included in the powers of the board as they are set out in section 10, rather than make it one of the main purposes, particularly when we have such an efficient national research council.

Mr. Cote (Matapedia-Matane): Supposing the experts of the national film board engaged in research are in some way transferred to the national research council; in such event what would be the saving of money? They would have to be paid the same salaries. If the hon. member is suggesting that there are in the national research council film experts not to be found in the national film board, then it would be different. However, if it is just a mere matter of switching accounts, then I do not see why we should spend the taxpayers' money in discussing it. Both organizations are on Sussex street; they work together.

Mr. Green: If the hon. member for Matapedia-Matane is correct in his submission, then he could just as well argue that each department of government should have a research branch to do its own research. Here we have an efficient research council with which the present film board apparently works well. I do not see why there is any necessity to state that one of the main purposes of the national film board shall be to do research. I am afraid that sooner or later it will lead to the development of an expensive research branch in the film board.

Mr. Bater: In connection with the $32,933 set out as proceeds from sales, would the minister tell the committee if the film board sells pictures to the theatres. I am referring to the Canadian news items shown on theatre screens.

Mr. Winters: There are revenues derived from those films. Earlier we were speaking more particularly about the "Canada Carries On" series. Then there are other pictures which produce revenue for the board all across Canada and in other countries.

Mr. Brooks: What assistance is given in the matter of forest conservation work? I know the Canadian Forestry Association has been doing good work in that connection, and that in past years they have complained that they have not had the assistance from the film board they felt they should have had. In the issue of their monthly bulletin for February of 1948 they complain bitterly about this matter, stating:

Motion pictures, as an aid to forestry education, are an important medium employed by the Canadian Forestry Association. During 1948 the Canadian Forestry Association's own motion picture and lecture tours, its film libraries and co-operative tours recorded an attendance in all Canadian provinces of 400,000 men, women and youths, French and English.

It is regrettable to report that all the major motion pictures, in the 1948 program, dealing with forest management, forest protection, soil erosion, water and wildlife were purchased by Canadian Forestry Association in the United States and adapted (and translated for Quebec) in Canada. The principal producer of forest conservation films on this continent is the United States Department of Agriculture.

It seems to me that this is a rather sad commentary on the situation in Canada, because forest conservation is one of the most important matters with which the film board could assist. In 1948 they had to get their films from the United States, and they found the same condition in 1949. I should like to know from the minister what the situation is today, whether we are supplying the Canadian Forestry Association with film, how many we have supplied and just what the situation is at the present time. Unless our film board is doing work of that kind it seems to me they are failing miserably in the work for which the board was set up, and for which it was intended.

Mr. Winters: When the hon. member says the board is failing miserably in the purpose for which it was set up I can say only that we have a certain appropriation and try to spend it to the best possible advantage. When I say that I must add quickly that I think there is a great field in forestry for more motion pictures. We recently released one in British Columbia which I think is very effective, and through the Department of Resources and Development we also contributed to another picture made recently by the government of Alberta showing conservation on the eastern slopes of the Rocky mountains.

I feel there is a great field there for further exploitation, if one may use that word, through the motion picture medium to get across to the Canadian people the real importance of forest conservation.

Mr. Brooks: It is very necessary.

Mr. Murphy: I wish to make only one observation with respect to this section. I believe this point was raised last year, and possibly the year before and the year before that. I refer to the co-operation we should expect from the national film board in connection with the development of our tourist industry. I have always maintained that we have an opportunity to barter with the film industry on the other side. I have felt that while we may have derived some benefits, we have not really developed it to the extent it should be.

I know the minister and his associates will appreciate that this is a non-political subject because there is not an hon. member in the house whose riding is not affected by the tourist industry. I hope to deal with the tourist industry a little later on the minister's estimates but it seemed to me that somehow or other we are not getting as much as we could. There may be some reason for it. I am not blaming the minister because after all is said and done we are dealing with a country whose population is more than ten times our own and which has much to offer, not only in the way of films but in opportunities for recreation and that sort of thing. All this could be developed through films.

We have great hopes for the present minister who is in charge of this portfolio. This bureau has been kicked around to an extent not liked by any one of us. It was fathered by a former prime minister who was a member of a different party and it has always seemed to me that we in this house and the people in the country have been sort of sidetracked. The development of the tourist industry has been more or less a Topsy proposition, left to grow up by itself. We in this house, irrespective of party, do not like that. We think this industry can be developed much more than it has been today, and this is one avenue that could be explored to a great extent to our benefit. We have so much to offer to so many people.

I wonder if the minister, either now or when the tourist bureau estimates are before us, could tell us what has been done within the last year? We had a report a year ago. I hope he will be able to tell us that we are getting more distribution on the other side for our pictures. Heaven knows we certainly do not get it in the newspapers unless it is complaints about the importation of oil and that sort of thing. You would almost think that we were flooding Texas and Oklahoma. You have to expect that sort of thing, I suppose.

We must make direct contacts and one way of doing that is to bring Canada visually to these people who have money to spend in this country. If we cannot get it any other way, let us be frank and put it on a barter basis. If they want to show pictures in this country, let them show them, but make sure that we are able to show ours to the people over there who have money to spend in this country.

Section agreed to.

On section 10—*Powers of board.*

Mr. Stewart (Winnipeg North): Does this clause mean that the film board has more autonomy than the Canadian Broadcasting Corporation?

Mr. Murphy: Is the minister prepared to answer the questions I have indicated.

Mr. Winters: I shall be glad to do it, but I think it could be done better when the estimates of the Canadian government travel bureau are before the committee. As my hon. friend knows, the first paragraph of section 9, which we have passed by the way, states that the board is established to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations. We have been making a strenuous effort in that field. Speaking from memory and subject to correction, we have some 63 film libraries and film distribution centres in the United States for travel films. They receive quite a wide distribution and are seen by large audiences. We also get a great number of travel films on television programs in the United States, and some in the United Kingdom. The ones that are shown in the United States are those in which my hon. friend is particularly interested. We produced a number of travel films last year, I believe four in all. This year we have funds earmarked for the Canadian government travel bureau to provide more films designed to encourage tourists from the United States to come to Canada. We realize that this is a fertile field in which the film board can operate and we propose to do what we can to develop it.

Mr. Murphy: I should like to make one further observation. I have a firm conviction that our efforts are not being developed as they should be. I want to be frank about this and I know the minister will take it as I mean it. I feel that this part of the development of the tourist industry is away behind schedule. I have said before that we should have more than libraries in the different cities. We should attack this problem as a selling proposition, as though we were selling Ford or Chevrolet cars or the products of Imperial Oil. When we arrive at a conclusion that we are going to approach the tourist industry on that basis, we are going to get somewhere.

The Chairman: I do not like to interrupt the hon. gentleman, but section 9 is carried.

Mr. Murphy: I did not understand that section 9 was carried because the minister was just replying to my question.

Mr. Winters: In doing so I reminded the hon. member that the section was carried.

Mr. Green: I submit that the hon. member could raise this matter under subsection 1, paragraph (a).

The Chairman: Proceed.

Mr. Murphy: I think the minister is as fully aware of the situation as I am. I have felt that this matter should be brought to the attention of the committee in order that it may be surveyed with more intensity, of course to our own benefit. May I make a suggestion in a truly business sense? In pursuing a policy of developing the tourist industry through the national film board you should go further than providing film libraries. They are all right, but they do not go far enough. As I have said before, if you are going to show Canada to the United States or any other country you must do it through closer contacts and on a more friendly basis, shall I say, than has been the case to date. It is true that we advertise Canada through the different magazines and that sort of thing, but my firm conviction is that the best approach for the development of the tourist industry is through the film board. I think we are not getting from the provinces the co-operation to which we were entitled. Looking at the advertising in different magazines and newspapers, it seems to me it is about time that the dominion, the provinces and the municipalities got together. A two or three day conference is not enough because we could develop a billion dollar industry and we are not doing it. A 5, 7, or 10 per cent increase per year is not enough for this country when we have so much to offer to so many people. I can visualize the minister going before the treasury board and saying that he wants another $50,000. Apparently it all goes into advertising in newspapers, magazines and periodicals of different kinds.

I may be out of order in what I am about to say, but if I am I hope you will pardon me, Mr. Chairman. One of the best advertisements that the maritimes have had this year was an article written in a United States national magazine, with a circulation of some two million in that country, describing a trip through the maritimes. Let us be serious about the business because we certainly have not been in the past, and let there be no mistake about that. I think the value of the article which appeared in that magazine a few days ago is comparable to what we could accomplish with the film board. That article is worth a quarter of a million dollars to the maritimes this year.

That is the kind of thing we want. Let us try to develop it through films. We can tell the Hollywood moguls that if they want to show pictures in Canada they will have to show pictures of Canada in the United States. Within recent years everybody in the United States has at least two weeks or three weeks for vacation. They are a vacation-minded people. Yet our tourist industry is not even as large as that of Florida, and is about half that of California. We are not going after it. I hope the minister will not take these remarks personally. I am speaking on behalf of every member in the house when I say we want to develop the tourist industry. I think that department has not had a show since it was inaugurated by a former leader of another party. It has been treated as a Topsy. I think it is about time that the people of this country realized that we can develop a billion dollar a year industry instead of having a little increase of $10 million or $15 million. I do not blame the minister one bit, and I hope he will not take my remarks as criticism of him. I think parliament should accept greater responsibility for what we have to offer, and I think the film board provides a good opportunity to do so.

Mr. Winters: Before section 10 carries, I should like to suggest a change in subsection 2 in order to make the wording conform with that of the act to amend the statute law recently passed by the house. I suggest that subsection 2 read as follows:

> Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the board on behalf of His Majesty, whether in its name or in the name of His Majesty, may be
>
> (a) brought or taken against the board, without the governor general's fiat, or
>
> (b) brought or taken by the board, in the name of the board in any court that would have jurisdiction if the board were a corporation that is not an agent of His Majesty.

That will make the wording conform with what the house recently approved. I would ask my colleague, the Minister of Veterans Affairs, so to move.

Mr. Gregg: I so move.

Mr. Winters: Mr. Chairman, I did not have the latest reprint of the bill before me and I understand that it already contains that wording.

Mr. Diefenbaker: Is this section 10?

Mr. Winters: Yes.

Mr. Diefenbaker: As a matter of fact, does the section cover the situation at all? I have

just come into the house, and I do not know whether there has been any discussion of the subject. In any event, I think there was a great deal of dispatch the other day in the passing of a bill in this house which was accepted generally as a tremendous step forward in connection with the right of action against crown corporations. When one looks at the matter more closely, I begin to wonder whether or not there has been very much of an advance at all. Right of action as against the crown is still dependent upon the issue of a fiat excepting within the circumscribed limits of amendments similar to the one in question in this act. Section 10, subsection 2, now reads:

> Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the board on behalf of His Majesty, whether in its name or in the name of His Majesty, may be
>
> (a) brought or taken against the board, without the governor general's fiat, or
>
> (b) brought or taken by the board, in the name of the board in any court that would have jurisdiction if the board were a corporation that is not an agent of His Majesty.

I submit that the section as now framed will not cover any action in tort. I read it again:

> Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the board . . .

The words "obligation acquired or incurred by the board" merely cover the right to civil action and do not in fact cover the question of proceedings in tort.

Mr. St. Laurent: Not criminal proceedings, but civil proceedings.

Mr. Diefenbaker: I am speaking of civil proceedings. If the Prime Minister will read the Exchequer Court Act, as I remember it, provision is made in section 19 and following that the exchequer court shall have certain exclusive powers to try actions as against the crown. As I read the section in the bill, and I do so with the greatest of deference to those who drafted it, I do not think it would cover a civil libel action or an action of that type in tort against the national film board. If a person were libelled in consequence of a film issued by the board I submit it would not be covered by the wording of this section. I think the law officers of the crown should be asked whether or not this section in fact covers such a case. I think the present wording will only cover contractual rights or obligations acquired or incurred in the name of His Majesty, and in fact is not an advance along the road of granting to the private citizen the right of proceeding against the crown without a fiat.

The bill already passed by the house is now before a committee of the other place.

I do not know what conclusion they are going to come to or whether or not the matter has arisen at all. Nevertheless I believe consideration should be given to the question whether or not this section in fact only goes a part of the way that the draftsmen believed, and I presume intended, that it should go. Whether or not it was intentional, while hon. members believe the bill already passed actually extends beyond the contractual liability of a crown corporation to the right of action by a private citizen, nevertheless as it is at present constituted any person who wanted to take proceedings by way of libel or slander, alternative actions for defamation, or on other torts, would find that he still required a fiat from the attorney general.

Having made that statement I suggest to the minister that the law officers should be consulted, for either they intended that it should cover torts such as I have mentioned, or by its draftsmanship they intended that it should not. If it does not cover torts the right of action is of no great consequence and would in fact amount to a very small step forward toward the point where ultimately the individual in this country, in his actions against the crown, will be on the same footing he enjoys in his actions against private citizens.

Mr. Stewart (Winnipeg North): Twenty minutes ago I asked the minister a simple, easy, elementary question, which has not been answered. Perhaps he was talking to someone else and did not hear me, or perhaps he has forgotten. This was the question. Does this board have the same autonomy as the Canadian Broadcasting Corporation?

Mr. Winters: This board is not being set up as a crown company in the same way as the Canadian Broadcasting Corporation. My hon. friend will see in the act that the board is set up in a capacity which enables it to exercise general control over its operations, but that the minister in turn has control over the board. Section 3 of the act provides:

> For the purposes of this act and subject to its provisions, the minister shall control and direct the operations of the national film board.

Mr. Diefenbaker: Since sitting down I have been informed that the legal adviser to the other place has given a tentative opinion similar to my view on that section. I was not aware of that at the time I was speaking. Either the minister intends that an individual shall have full rights as against a crown emanation or crown corporation or whatever one may call the film board, or he does not. If it is intended to grant the individual that full right, and the law officer of the crown in the other place doubts that the section contained in the act amending the

statute law, which passed this house, is sufficient, then I submit this section certainly should stand until an opinion is secured, in order to make certain that the right of the individual as against this crown corporation shall extend to the right to take action in respect of torts without a fiat.

Mr. Winters: As the hon. member knows, this section was drafted and then redrafted to make more certain that it would give private individuals rights against the board in case of legal action. I suggest that if there is any question about it, and the statute law is being considered in the other place, perhaps this legislation should go forward on the same basis. If an amendment is required in the other place the same consideration can be given this bill, and it can be brought into line there.

Mr. Diefenbaker: The only difficulty is that it would have to come back here again.

Section agreed to.

On section 11—*Production of films for departments.*

Mr. Green: Will the minister give us some further explanation with respect to subsection 1. It appears to give the film board very wide power over all other departments of government, in that it provides that the production and processing of all motion picture films by or for departments shall be undertaken by the board, unless the board is of the opinion that it is in the public interest that it be otherwise undertaken and authorizes it to be so undertaken. Under this it would appear to me that the Department of National Defence could not produce or process any motion picture film without the approval of the film board. I would like the minister to say whether my interpretation of this subsection is correct and, if it is, why the film board is given such drastic power over the other departments.

Mr. Winters: As I explained before, the national film board is the government's agency in the field of films. The Department of National Defence, which has been referred to previously this evening, does take a considerable amount of film footage, and there is nothing in this act which could bar it from continuing to do so. When it comes to producing a film, however, they are required, as they have been heretofore, to work through the national film board.

Mr. Green: This section would not apply to their defence films, that is to films taken purely for the purposes of the defence department?

Mr. Winters: It would not bar them from having their motion picture cameramen go into camps or stations or any other places they wanted and take films. If the question is one of producing a motion picture for the Department of National Defence, however, then under this section it must be done through the national film board.

Mr. Green: Does this mean that if the defence department want to make a picture of some phase of their training they cannot produce and show that film to their own troops without the consent of the national film board?

Mr. Winters: That is true, Mr. Chairman.

Mr. Macdonnell (Greenwood): Does this mean that the film board has an absolute monopoly on the production of films for government use?

Mr. Winters: Not at all, Mr. Chairman; it does not mean that in any sense. It just means that if another department of government wishes to produce a motion picture, or to have one produced, it must work through the national film board which, let us say for purposes of discussion, could put it in contact with a private producer, and it would then work with that private producer to obtain the film.

Mr. Drew: But this seems to be more far-reaching than that. Any film taken with a moving picture camera is a motion picture film, and "film" is defined in section 2 of the act, where these various films are described in such a way as to cover anything that would be taken by a moving picture camera. The Department of National Defence has in its different branches a number of cameramen. Does this not mean that those cameramen would not be in a position to go out and take pictures without the authority of the film board? I cannot read it in any other way.

Mr. Cote (Matapedia-Matane): If I may interject a word, after what the leader of the opposition has just said, if I am not mistaken, there is an historic fact that perhaps justifies this section. During the first world war we had no film board and no motion picture bureau, but we had private operators who took both moving films and still pictures. In 1950, however, there are not available to this government for record purposes either still pictures or moving picture films taken at that time. They were taken by operators over whom there was no control. When the war was over and the government tried to secure those films and still pictures, they were not made available. It became impossible for the government to secure them because of the freedom that was given to those who took the pictures. The result is that the government has not those pictures.

Mr. Green: May I ask the minister why it is that the national film board must approve of all films made by the Department of National Defence before any such film can be shown to the troops? That is what the minister said a few moments ago.

Mr. Winters: No, I did not say we had to approve of all films. I simply said we had to approve of the channels through which films are produced.

Mr. Drew: This is more than just taking exception to the narrow meaning of the words, Mr. Chairman. This subsection says that no department shall initiate the production or processing of a motion picture. Now, the initiation of the production is the taking of the moving picture. This wording means that the Department of National Defence would have to obtain the consent of the film board before it had its photographers initiate the production of films. In other words, the national film board determines what is proper or not proper to be taken by the Department of National Defence. I do not believe it can be read in any other way.

Mr. Winters: I think it can. Section 11, subsection 1, says:

> . . . no department shall initiate the production or processing of a motion picture film without the authority of the board, . . .

If the Department of National Defence wants to shoot footage, there is no reason why they should not do it. But if they set out, having in mind the production of a film, this section says the approach is through the national film board.

Mr. Fulton: I do not want to interrupt the discussion on subsection 1, but I want to ask a question on subsection 2. It provides that where the film board undertakes a film for another department, then there may be transferred out of the moneys appropriated by parliament for expenditures by that department to the national film board, such sums to defray the cost incurred by the board as such minister or other persons and the board may agree upon. What I should like to know is why it is not provided that the sums to be transferred shall be the actual cost incurred by the board. I should like to see it provided that in every case the actual cost of producing the film shall be charged and paid by the department for whom it was produced. In that way we will be able to keep track easily of the film producing activity costs, instead of having to look in two departments to find the amount. Why is that not stated specifically, instead of being left to agreement between the ministers?

[Mr. Cote (Matapedia-Matane).]

Mr. Winters: It is put in for a specific reason. Heretofore the board gave an estimate to another department, and if the work overran the estimate the board, in almost all cases, absorbed the amount of the overrun. If the film cost less than was anticipated, the board collected only the lesser amount. It is felt that, in accordance with the Woods-Gordon recommendation, it should be done in a commercial way. The board should agree upon a realistic amount related to the work contemplated and that amount should then be turned over to the board for the production of the film.

Mr. Fulton: That would be regardless of the fact that the film may cost more than the estimate?

Mr. Winters: It would only be the amount that was agreed upon that would be turned over. That is what is contemplated now, but I suppose these agreements will be capable of being renegotiated.

Mr. Fulton: It seems to me that will produce a complicated system of accounting so far as accounting to parliament is concerned through the public accounts. We will have to look through several departments to find out what the actual cost was. Say the Department of National Defence has made a film, we shall not be able to find the cost in the part of the public accounts devoted to that department, but we shall have to turn to the national film board to find the extra cost, if any. I do not see why it is not possible to provide that the amount to be paid by the department for whom the film is produced shall in all cases shall be the actual cost to the board.

Mr. Winters: The actual cost of course can always be obtained from the national film board account. It seems to me it is a realistic arrangement. It is the arrangement that would prevail between a contractor and someone for whom he undertook to do a job. A price is agreed upon and that is the price that prevails; that seems to me to be the businesslike, normal arrangement.

Mr. Drew: Mr. Chairman, I believe that subsection 1 should be very carefully considered. I do urge the minister to think carefully about what these words mean. "No department shall initiate the production" of a motion picture film. The initiation of the production is the instruction to some cameraman to go out and take a picture.

That means that the Department of National Defence cannot even give instructions to a cameraman, let alone have him take a picture, without the authority of the board. I am not going to press this, because if the minister does not see the words in this

way and will not accept this recommendation, then he will proceed with what I regard as a serious defect.

There is another consideration here which I think should also be brought to the attention of the house. This provision places the right of the department to do something under the control of an agency of government outside the ordinary government structure. This film board is the creature of the government, and that creature of government is given the authority to say to the departments of government whether they can or cannot do something that they would ordinarily do. I think the principle, notwithstanding the object, is one that is a definite departure from our ordinary procedure.

Mr. Macdonnell (Greenwood): I should like to refer to section 11, subsection 1. When I asked the minister if the effect of this subsection was to rule out private production agencies, he said no. I believe the effect of it really will be that, because his answer went on to say, if I correctly understood him, that it would still be possible for the film board to act as intermediary for another department to employ a private agency. Now, to me that is so unlikely that I think it can be disregarded. No one is going to believe that the film board will want to have that done. Unless they are superhuman people, it is going to be almost impossible for them to fall over backwards to the extent that they could act as a genuine agent for the employment of someone else.

Is this not a definite change in the practice? In the past, if I recall the information we had in this house last December, other departments had been able to deal directly. It is not merely a case of the initiation, but under this section as it stands there will be no dealing directly between any department and any private agency. In other words, unless I have misrepresented the situation, what we are really doing, and we may as well face it, is stating that this agency will exclude private producers.

Mr. Winters: No, as the Prime Minister has just suggested it is just like the king's printer. There is no departure here, and I can assure my hon. friend that there is no intention of insulating government departments from private operators in the motion picture field. The section of the present act reads:

> All processing and production of films by and for government departments shall be undertaken by the bureau, except where the commissioner agrees that the work can be done through officers of other departments and that the results obtained will be technically adequate and economical, or where the board considers the use of commercial firms advisable in the public interest.

The same practice is being followed.

Mr. Macdonnell (Greenwood): The minister referred to the king's printer. May I ask whether there are any private producers entering that field?

Mr. Winters: Yes, a great deal of the government printing is done by private producers through the printing bureau, the king's printer.

Section agreed to.

Section 12 agreed to.

On section 13—*Plan of organization.*

Mr. Macdonnell (Greenwood): This section seems to be setting up a separate kingdom with a vengeance. I notice particularly subsection 3 which enables the board to disregard the provisions of the Civil Service Act. Will the minister deal first of all with subsection 1 which in itself seems to give unusually broad powers? May I ask if I am correct in taking it that these are powers beyond what the ordinary department of government has? Would that be correct with regard to subsection 1?

Mr. Winters: It is powers beyond or different from those where the Civil Service Act applies, but it is not extraordinary powers in the light of the way the film board operates and has been operating. This subsection says that for the permanent employees of the board a plan can be set up, provided it is recommended by the minister and approved by treasury board. Once that plan is approved, the board then has, under this section, the power to appoint employees to fill the establishments. That is what the section purports to do.

Mr. Macdonnell (Greenwood): What is it necessary to deal with it so differently from the ordinary civil service department? Is it because it is thought that the employees that are required to be obtained by the board are of a different type and will not come in under ordinary civil service conditions?

Mr. Winters: It has always been considered that the making of films is a different sort of operation. It is a creative field in which you normally expect and get a different type of personnel. In this field there are people who are experts whom you could never get through competitive arrangements under the Civil Service Act. They are nevertheless people who have been doing and who will continue to do an excellent job for the board. Having regard to the nature of the operation, I think that the power to appoint people is a necessary one if the board is going to remain a live and creative organization.

Mr. Macdonnell (Greenwood): I can understand that there would be certain people, of a highly skilled and highly artistic nature, and perhaps particularly expert in other ways, who would be included in the description which the minister has just given. But will that apply to all the people in the film board? Does not this organization plan apply to all the people?

Mr. Winters: There is another section, section 14, which provides for people other than those in the plan approved by the treasury board on the recommendation of the minister.

Mr. Fulton: Again notwithstanding the Civil Service Act.

Mr. Macdonnell (Greenwood): Can the minister say roughly how many people would be affected by this provision and what would be the likely and probable division between those under section 14 and those under section 13? What I mean is this. Are there going to be a few exceptions under section 14 or under section 13?

Mr. Winters: The majority of the people employed would be under section 14. The people employed under section 13 are those people who would have employment of a continuing nature. The work of the film board fluctuates from production to production. There is a high turnover of employees for that reason. Section 14 gives the board the power to employ temporary personnel to take care of this situation.

Mr. Macdonnell (Greenwood): The minister speaks of a large turnover. Nevertheless there is reference here to pension and retirement privileges. I suppose the minister's answer to that is that it would depend on how long, in fact, they stay.

Mr. Winters: I presume we are discussing section 13, Mr. Chairman.

The Chairman: Yes, section 13.

Mr. Winters: The effect of section 13 is to enable the people on the approved plan, under section 13, to become eligible for the civil service superannuation benefits; but the people employed under section 14 do not.

Mr. Macdonnell (Greenwood): In other words the answer is that, under certain conditions, for certain duties they are taken out of the Civil Service Act and for certain other duties the Civil Service Act applies. Is that the answer?

Mr. Winters: It is not the Civil Service Act; it is the Civil Service Superannuation Act; it is to entitle the people on the permanent staff in continuing positions to become eligible for civil service superannuation benefits, whereas the temporary employees are employed under section 14 and do not qualify for civil service superannuation benefits.

Mr. Green: May I ask the minister a question concerning subsection 4 of section 13. That section apparently provides that the board has absolute discretion with regard to positions up to $5,000 a year. For any positions over that figure they must get the approval of the governor in council. Does the minister have any jurisdiction whatever over the employment of persons who do not get $5,000 or more or is that entirely in the hands of the board?

Mr. Winters: There are bylaws to which this act refers and which may well have a bearing on that point. Section 3 reads:

> For the purpose of this act and subject to its provisions, the minister shall control and direct the operations of the national film board.

That enables the minister to exercise control over any of these matters he so desires.

Mr. Green: Is it the intention that the minister shall have power over these salaries below $5,000?

Mr. Winters: Oh, yes.

Mr. Knowles: Subsection 1 deals with that matter.

Mr. Charlton: The minister has just said with regard to subsection 4 that, no matter what the salary is, the Civil Service Act does not apply other than for superannuation purposes.

Mr. Winters: Unless the employee comes under subsection 6 of section 13, or subsection 7, which states in effect that if he were an employee under the Civil Service Act before this act came into effect, he continues under the Civil Service Act.

Mr. Charlton: This board then is being set aside from the Civil Service Act with regard to appointments, whether the salary is under $5,000 or over $5,000.

Mr. Winters: That is substantially correct, except for the subsections I have quoted.

Mr. Charlton: That is only if they have been in the employ of the civil service and are continuing under the civil service.

Mr. Winters: That is right.

Mr. Fulton: I do not think the minister has given us any full explanation as to why it is necessary to do that at this time when there was no similar provision, or at least no such widespread provision in the old National Film Act. There practically the

only person who was exempt, and completely exempt, from the provisions of the Civil Service Act was the commissioner himself. Now every employee of the board virtually is or may be exempt from the provisions of the Civil Service Act. Why is it necessary to make this sweeping change?

Mr. Winters: I think this is of great importance. It is a step in the direction recommended by the Woods-Gordon report and a step in the direction which I think is correct. Under the old act the only people who were eligible for civil service superannuation were the people who were civil servants before the old act came into effect. All the others were employees on a temporary basis, the term being three months, except of course for the commissioner, who was on a three-year term.

Mr. Charlton: Why should the permanent employees of this board be outside the civil service when every other department of the government is inside the civil service, and is governed entirely by the Civil Service Act?

Mr. Winters: There are, of course, other agencies, but that does not necessarily explain why this should be so in this case. I could refer to the Central Mortgage and Housing Corporation, the Canadian Broadcasting Corporation and others where the nature of the operation and the nature of the talent required make it expedient and necessary to be able to appoint people rather than to have them qualify under the Civil Service Act.

Mr. Charlton: In other words a supercivil service committee is set up outside the actual civil service?

Mr. Winters: No.

Mr. Charlton: When there are thousands of people who have to abide by the Civil Service Act.

Mr. Green: What about the ordinary clerical staff? Will they not be under the Civil Service Act? Is the national film board being taken completely away from the Civil Service Act, from the top down?

Mr. Winters: It is not being taken away, because it never was there. We are bringing it closer to the civil service regulations now than it has ever been before. We are trying to regularize it and get permanency and stability

Mr. Fulton: So far as superannuation is concerned.

Mr. Winters: Yes.

Section agreed to.

Sections 14 to 17 inclusive agreed to.

On section 18—*National film board operating account.*

Mr. Charlton: I would refer particularly to section 18 (4) which refers to expenditures made by the board and shown in the account not at any time exceeding the receipts shown in the account by more than $700,000, or such lesser amount as may be fixed by treasury board. Does that mean that the expenditures of the board shall not exceed $700,000?

Mr. Winters: No, that is a working fund set up to enable the board to continue its operations from year to year. Section 18 (4) states that expenditures must at no time exceed by more than $700,000 the receipts of the board.

Mr. Charlton: The amount of the appropriation for the operation of the board?

Mr. Winters: This is not related to the appropriation for the board. It gives the board a working fund, and is not voted by parliament as such. It means that the board can take accounts receivable, for example, and carry them on what I understand accountants refer to as an accrual basis. They can accumulate receivables and things of that nature until they arrive at the figure of $700,000, beyond which they cannot go. It is a working fund for the board.

Mr. Macdonnell (Greenwood): I would ask the minister to look at this section again. I take it that this is really the same problem we have in the Department of Transport, where there was the grant of a working fund. I would ask the minister to look carefully to see if it gives the effect he intends. It says—

> The expenditures made by the board and shown in the account shall not at any time exceed the receipts shown in the account.

That is to say, the receipts of the board, if my understanding is correct—

> —by more than $700,000 or such lesser amount—

And so on. Is that what is really intended? It does not say, "Shall not exceed the amount voted by more than $700,000," but rather it says, "shall not at any time exceed the receipts." I have not studied it carefully, but I suggest it should be looked at again to see that it states what is intended.

Mr. Winters: I am told that it is all right in this form. It has been checked carefully by treasury, by the Auditor General and by others who are familiar with these matters, and they say it does conform with what is required and what was recommended in the Woods-Gordon report.

Mr. Macdonnell (Greenwood): All I have to add is that it does refer merely to receipts.

It has not anything to do with grants by parliament at all. However, if the minister is satisfied, I have nothing more to say.

Section agreed to.

On section 19—*Application of 1931, chapter 27.*

Mr. Macdonnell (Greenwood): What is the significance of this section?

Mr. Winters: This measure refers to the setting up of a special account known as the national film board operating account, and authorizes the board to set up its own internal accounting system. Beyond that the payment of cash disbursements and so on will be handled by the comptroller of the treasury, and in other ways the Consolidated Revenue and Audit Act will apply.

Section agreed to.

Section 20 agreed to.

On section 21—*Reports to minister.*

Mr. Browne (St. John's West): I cannot help feeling that there is a good deal of weight in the point drawn to the attention of the minister by the leader of the opposition in regard to the position in which, for instance, the Department of National Defence would be placed. It seems to me a strange procedure to give the national film board such powers. I suggest that section 11(1) be considered carefully.

Mr. Fournier (Hull): That was passed.

Mr. Browne (St. John's West): Yes, but this section 21 states that the board shall furnish statements or reports to the minister at such times and in such manner as the minister may require. It seems to me the minister would have power to make inquiries and to see if other departments had violated the provisions of the act. I am wondering, for example, if in the Sweetbriar operation, having taken pictures, the Department of National Defence each time it started a new roll of film would have to get permission?

Mr. Winters: No, I have already assured the committee that that would not be so.

Section agreed to.

Sections 22 and 23 agreed to.

On the schedule.

Mr. Macdonnell (Greenwood): How would one know the meaning of the expression "due authority"? Would there be a regulation, or would it just be a case of being told by one's boss? Sometimes that becomes rather important.

Mr. Winters: This is the standard oath of security, the same as is found in other legislation. The one I have in mind is the act setting up the Central Mortgage and Housing Corporation.

Mr. Macdonnell (Greenwood): It is in general use.

Mr. Winters: Yes, it is in general use.

Schedule agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Bill read the third time and passed.

SUPPLY

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

DEPARTMENT OF RESOURCES AND DEVELOPMENT

Forestry branch—

384. Forest research division, $819,675.

Mr. Hodgson: Mr. Chairman, I notice that under this vote for forestry research there are 29 engineers, and increases in almost every figure in the item. Travelling expenses are shown as $87,000, and casuals and others as $190,466. In that case the increase is $30,000. I do not understand that item. Is it an item into which you stick anything when you cannot find any other place to put it?

Mr. Winters: That is casual labour.

Mr. Hodgson: Is that part-time labour?

Mr. Winters: Yes, as required.

Mr. Hodgson: You have an item for temporary assistance.

Mr. Winters: Those are civil servants generally who are classified as temporaries rather than permanents.

Mr. Herridge: I understand that this forest research division is carrying on some research in the use of sawmill machinery and equipment. I may say that I advocated this for five years in the provincial legislature and every year since I came here. Many other hon. members are interested in this matter, particularly in the saving of waste occasioned by sawmill equipment, especially the equipment in small sawmills. I am particularly interested in knowing that the department is going ahead with this research and I wonder if the minister could give us some information as to the results.

Mr. Winters: A building has been acquired in Ottawa and the machinery is being

obtained. As soon as it is set up a program, which has been laid out, will be undertaken.

Mr. Hodgson: Can the minister describe one thing this forest research division has developed for the benefit of the lumbering industry?

Mr. Winters: I am told by the officials that there is general research in the field of forestry. As an example of what they have brought forth I would mention aerial photography.

Mr. Hodgson: Aerial photography was developed five or ten years ago, and I can show you aerial photographs in my office which were taken that long ago. I want to know what has been done in the past five years that has been of benefit to the industry in which I am interested.

Mr. Winters: That specific question could be answered more appropriately under item 385. The department has done a great deal of work in the field of kiln-drying, utilization of waste products from lumbering operations and developments of that nature.

Mr. Hodgson: Would you prefer to leave it until the next item?

Mr. Winters: If you like.

Mr. Browne (St. John's West): Has the work carried on under this item and the following item been extended as yet to Newfoundland? We have a lot of birch down there that we do not know what to do with.

Mr. Winters: The operations have been extended to Newfoundland. Last year one of the officials went to Newfoundland to conduct a study into the density of Newfoundland woods, such as balsam.

Mr. Hodgson: This item totals $820,000, an increase of approximately $80,000 over last year. The minister and his officials ought to be able to tell us what is being accomplished for that amount of money. There are 29 engineers and $87,000 for travelling. Are they just travelling around looking at the country and taking pictures, or what are they doing?

Mr. Winters: This vote is for the advancement of forestry research and conservation in Canada; the investigation of forest conditions and rates of growth; the development of scientific management methods on the basis of sustained yield; forest fire protection studies; technical investigations into the operation of the industry; investigation, development and application of aerial photography methods; development of techniques concerning the interpretation of forestry data; silviculture research and so on.

Mr. Hodgson: What has been done in connection with fire fighting, for example? So far as I know that has always been handled by the provinces.

Mr. Winters: As my hon. friend says, that work comes within the provincial field, but the department has done a great deal in the way of assessing forest fire hazards. The results of the work done by the department are used fairly generally throughout Canada, and they are used in the national parks.

Mr. Hodgson: Tell us one place where they have done anything along that line.

Mr. Winters: Forest fire hazard evaluation and forest fire forecasting is used in Quebec and in the maritime provinces. That use has developed out of the work of this branch.

Mr. Hodgson: Specify something that they have done. Have they developed anything besides the use of water to put out a fire, or the use of a shovel? Just what have they done? We are being asked to vote $820,000 and we should know something about it.

Mr. Winters: My hon. friend will see from the break-down on page 256 that a considerable amount goes into total salaries and wages which of course are paid for research as well as other work. As a specific instance of what they do, they have broken ground in the assessment of fire hazards and it has found wide application.

Mr. Knowles: Can the minister tell us whether this research division has carried on any work in connection with various kinds of cigarettes insofar as they may cause forest fires? We have asked about this under various items; I do not think I have had occasion to ask the present minister about it, but I have asked others.

There seems to be some question whether there are certain chemicals in the paper used in the manufacture of tailor-made cigarettes which makes it possible for them to burn more steadily than is the case with the other kind. I do not happen to use the things myself but my friend from Saskatoon and I conducted a little experiment not many weeks ago. There was no doubt about the result. The roll-your-own cigarette refused to burn by itself but the tailor-made burned by itself until it was completely consumed.

It has been represented to me that in forests the use of tailor-made cigarettes, the stubs of which are tossed about, may be the cause of many forest fires. It has been said to me, as a matter of fact, by people who are connected with woods operations that they require their workers in the bush to use roll-your-own cigarettes rather than tailor-made, particularly when there is any

fire hazard. It would seem to me there are at least two phases of this matter which the research division might investigate. On the one hand, it might gather statistics as to the number of forest fires caused by discarded cigarettes, and on the other hand it might conduct some scientific research into what is contained in these cigarette papers that makes for the difference in burning that my friend from Saskatoon and I found in the experiment we conducted some time ago.

After one of the occasions when I raised this matter in the house I had a communication from one of the big tobacco companies assuring me that there was nothing in the paper used in tailor-made cigarettes that would create any greater fire hazard than the other kind. It was after that that my friend and I conducted the experiment. Other people have spoken to me about the matter and have assured me that there is that difference. I have taken the matter up with the office of the dominion fire commissioner. I have had correspondence with other people in the country who are interested in the question, including officials of the dominion fire chiefs association. I believe there is something here that needs to be investigated.

I know that the dominion fire chiefs association feels that action should be taken. In fact not long ago they passed a resolution which was sent to the government, copies of which were sent to all members of parliament. So far as the office of the dominion fire commissioner is concerned, if I recall correctly, the answer I received from them was that it was difficult to deal with a matter of this kind by legislation. Once upon a time that view was taken with respect to matches, but now we have legislation to reduce the fire hazard in matches. Although there might be a pretty high-powered lobby against such legislation, I submit it is in the national interest that this matter should be investigated. I must say I was not greatly impressed by the letters we had a short while ago from one of the tobacco companies urging us to get behind fire prevention week because I have noted a lack of co-operation on the part of the tobacco companies with the fire prevention people in connection with this whole matter. There is nothing more I need to say on the subject at the moment, but I should like to have an answer from the minister as to whether any research has been conducted by this division into the two aspects I have mentioned. If not, I hope that he will indicate that these people will make some study of the matter.

Mr. Winters: Mr. Chairman, we all know that cigarettes are one of the causes of fire.

[Mr. Knowles.]

The department is doing everything it can, in co-operation with the provincial governments, to create an awareness in the minds of the people of Canada of the serious loss that results every year from forest fires. The manufacturers of cigarettes are co-operating in that work, and I think perhaps they are helping to create an awareness of the problem. The actual work on development of a cigarette that will not be so dangerous in the woods is something that I think is beyond the jurisdiction of this department, and in fact we have not undertaken any work on the problem.

Mr. Knowles: I remind the minister that that used to be the argument against safety matches, but the day came when there was legislation in that field, and I think the day should come when we will have legislation in this field as well.

Mr. Brooks: I should like to ask the minister whether anything is being done about the spruce budworm infestation in the different provinces and also as to dieback disease which infests birch trees particularly in the maritime provinces.

Mr. Winters: There is a forest insects control board which is active in the field of trying to combat this pest. The work is done by the Department of Agriculture.

Mr. Brooks: It is not under this item?

Mr. Winters: No.

Mr. Herridge: I do not take quite the same attitude as the hon. member who was talking about what our research people are doing. Personally I think they are doing an excellent job. I keep pretty well informed of the major projects that are being undertaken. I want to repeat one criticism, and the only criticism I have ever made of this department. They are not getting the information over to the Canadian public. I know that information is published in the trade journals about the projects that are being carried on. I take the lumbermen's magazine, and I presume the hon. member who has spoken also does. There is a limited circulation of some of the information, but I think it is so vital to create an interest in forest conservation and the use of forest products that some scheme should be found to make the public aware of what is being done. The information should also go to the high schools of this country. A great deal of valuable work is being done but it is not appreciated by the majority of Canadians.

Mr. Murray (Cariboo): This is a good opportunity for the national film board.

Mr. McLure: The amount of item 384 is $819,675. For salaries for permanent positions the amount is $190,050. There is a list given of those and the amounts that they receive. The amount for temporary assistance is $207,210, over 25 per cent of the total, and we do not know anything about it. We know this much now that we never knew before, that one hundred people are receiving that money, but we do not know whether they are engineers, brakemen, or what they are. Then we have a new bunch growing up called "casuals". I looked that up in the dictionary and it means happy-go-luckies. The amount for these happy-go-luckies or casuals involves another 25 per cent of the total amount of the item, and we are asked to vote it without any details whatsoever. There is $190,466 for casuals. Next year I think you should certainly direct the officers who prepare these estimates to give the committee some information, even if they only tell us that there are 500 casuals or happy-go-luckies. We know that at election time these are the most useful things you can have; and, as I have explained on many occasions, this item is largely used for that purpose. I believe we should have a breakdown of it. If we cannot get it for this year, let us have it for another year.

Mr. Macdonnell (Greenwood): It seems to me, as the hon. member for Queens has said, that we are being given very little information about this. We know the fire hazard in our forests is terribly serious. I am not doubting for a moment what the hon. member for Kootenay West said about the excellent work being done by these forest engineers, but it seems to me that for the good of his own department the minister should be able to make some general observations about this problem. I think we should know to what extent it is being dealt with; to what extent, for instance, there is co-operation between the dominion and the Ontario department, and what the great obstacles are. If they are cigarettes, then that is worth knowing. Here is something which is taking a terrible toll of our natural resources, and we get just a few bits and pieces of information without any general, organized attempt to let us understand the problem. It might be that we would insist on the minister having several million dollars more to publicize this situation if we knew what the problem really was.

Mr. Winters: Well, Mr. Chairman, I can say we could use several million dollars more to good advantage. The operations of the federal government in the field so far have been in attempting to forecast forest fires by evaluating fire hazards. Last year, as hon. members know, we enacted the Canada Forestry Act, by which parliament authorized the government to exercise wide powers in the field of forestry. Most of those powers, however, are in fields of prior responsibilities of the provinces.

I felt that something should be done, and one of my first acts when I assumed this responsibility was to write to all provincial governments asking them how in their opinion we could most appropriately co-operate under the terms of this act to develop and conserve our forest resources. I have heard from several of the provinces; I have spoken to the representatives of a number of others. So far the talks have been exploratory. There is one thing on which I think we all agree; that is that the long-term forest policy of this country can be nothing short of the type of forest management that will result in sustained yield, and any steps we take now must be considered as stepping stones toward that end result. But we have a great many steps and processes to go through before we arrive at sustained yield. In the first place we must know what the forest inventories are, and we have not a clear picture of our forest inventories on a national basis. We not only have to know those inventories as of a certain date; we have to be able to evaluate those inventories at some time hence, in order to tell whether we are achieving sustained yield.

There is no doubt that forest fire protection is one of the greatest factors in the over-all consideration and one of the most important steps toward the goal of sustained yield. We know that; all the provinces have raised that point with us. But before we commit ourselves to an over-all forest program, before we make our final commitment in the field of forest fire protection or suppression, or the control of insect pests, or whatever commitment it might be, I think we have to formulate with the provinces an over-all concept of what the policy should be and how we can best use the financial and other resources available to us to arrive at that goal of forest management on a sustained basis.

Mr. Macdonnell (Greenwood): Well, Mr. Chairman, I think the minister has made an admirable statement of the problem, but I got the impression that really we are just sort of scratching the surface now and that we may be doing so for a long time to come. If that is a fair impression it seems to me rather disturbing and definitely raises in my mind the question of whether we are doing enough and whether the minister should not steal some money from some of the other departments that in our opinion perhaps do not need as much as they are getting. It seems to me the minister has stated the problem but has left me, at any rate, with a very

disturbed feeling. He said that before we commit ourselves to a program we must make further investigations. No one can argue against that as a general proposition, but one can at least express concern that it would seem we are going to be a long time at it.

Mr. Winters: Of course I do not deny that. We must first of all recognize the problem before we can attack it, and as a step in the attack on the problem we have written to the provincial governments, who have a prior responsibility in the field. We have said to them, "Tell us how you think we can best co-operate under the terms of the Canada Forestry Act to achieve the greatest possible conservation and development of your forest resources." As I say, we have heard from some of the provinces and I have had personal conversations with representatives of a number of others, which have been very helpful to me and I hope in some measure they will be helpful to them. We hope that out of these exploratory talks and preliminary stages we will in due course arrive at a forest policy which will result in the further development and conservation of our forest resources.

Mr. Hodgson: I am not going to ask any more questions on this item. The minister is new to this department, but the department itself has been operating for a number of years, and the only thing the minister can tell me it has developed is aerial photography. That is almost as old as I am, and was developed a long time before this department was thought of. Next year we will expect these specific questions to be answered. We will also expect to be told what all these casuals are, costing in the neighbourhood of a couple of hundred thousand dollars. I have one more question, but it will be on the next item.

Mr. Winters: In reply to the hon. gentleman I think I should say that aerial photography as a means of assessing the value of a forest was started by this department, which pioneered in that field, in 1929.

Item agreed to.

Forestry branch—

385. Forestry operations division, $61,290.

Mr. Knight: I want to take this opportunity to congratulate the government and to urge more of the same type of action that has earned my praise. Close to my home city of Saskatoon we have what is commonly known as the forestry farm, an institution first started as a place where young seedlings could be grown to be distributed throughout the province to form timber belts around the various farms for purposes of shelter. I want to pay tribute here to the manner in which that farm is kept. It has become a place of beauty. It is close to the city and to the railway town of Sutherland, and now almost serves the purpose of a national park. They have also made a small attempt at an animal park, putting in a few animals and birds. It is a place where thousands of people congregate on warm Sunday afternoons, and is used for picnics and that sort of thing.

I want to add a special word of praise for something that has been done which I have been advocating in this house ever since I have been here. I refer to the hard surfacing of the road from highway 27 to the gates of that park, and the actual road through the park itself. I have stated in this house on many occasions that the rest and pleasure which one may obtain when one gets there has been continuously spoiled by the dust. Anyone who has lived in the province of Saskatchewan as long as I have knows that if you put a thousand cars over that road on a warm Sunday afternoon, the result will be a heavy cloud of dust. I want to congratulate the minister on putting a hard surface on the road in that particular place.

I want to say this, too. If that place is a place which brings ease and rest to the people of that city, I think perhaps the lawn area should be extended. The lawn areas are so small that when you get one or two thousand people milling around it is a miracle how that grass survives. Again I pay tribute to the people who are in charge of those lawns. They are beautiful, and that is the way we would like to keep them. If they are to be kept that way, with the increased use of the park through the hard-surfaced roads, this lawn area will have to be extended. I admit that the dominion government has no responsibility to create a pleasure ground for the people of Saskatoon, but looking at the thing from the larger point of view, it could perhaps be good work in the right direction. This place is situated so close to the city, with a bus service running to the town of Sutherland and the park itself on occasion, it simply means that the thousands of people who have no cars, as well as the thousands who have, flock to that place as a place of rest and pleasure. I take pleasure in congratulating this department on the good work, and I hope it will be continued.

Mr. Cardiff: I should like to tell the minister that perhaps there is no one in the house who enjoys roaming through the timber and bushland more than I do, but I usually have to do it at my own expense. In looking through this particular vote, No. 385, I find the increase in travelling expenses is

$90,000 for the department, and in this particular item it is almost $21,000. Will the minister give us some idea of why there is an increase?

Mr. Winters: This is the item my hon. friend refers to, $4,600 for travelling expenses as against $2,500 last year.

Mr. Cardiff: Yes.

Mr. Winters: As I mentioned earlier, we passed the Canada Forestry Act last year which enables the government to enter into agreements with the provinces, with corporations, with individuals, or almost anyone who is interested in the conservation and development of forests. It was felt that the wider powers conferred upon the government by that act would mean more travelling, so we are asking for an increased amount of money to cover that.

Item agreed to.

Special projects grant—

393. Trans-Canada highway division, $300,000.

Mr. Gillis: I should like to ask the minister a question on this item for the purpose of clarification. I brought up the matter of the change in the specifications for the bridge across the strait of Canso on the estimates of the Minister of Labour. A member on the other side of the house, who comes from Cape Breton, made the assertion that the reason for the change in the width of the bridge from 22 to 24 feet was due to the fact that the trans-Canada highway would cross the bridge. My impression was that that change was suggested by the province of Nova Scotia, and the trans-Canada highway had nothing to do with it. It sounds rather illogical to me that the bridge would have to be the width of the highway, because that condition certainly does not prevail all across this country. Will the minister state whether the trans-Canada highway had anything to do with the change in the specifications?

Mr. Winters: Mr. Chairman, the agreement for the trans-Canada highway specifies a 24-foot paved surface. It was agreed that the width of the bridges would be related to the width of the highway. There is a sound argument for that, and certain changes in the specifications of this bridge were made. The statement was made officially by the Minister of Transport, and I believe at the same time by the government of the province of Nova Scotia, that the change in the design of the bridge was necessitated by the specifications agreed upon by the provinces for the trans-Canada highway.

Mr. Cote (Matapedia-Matane): Is the minister in a position to state why the premier of Quebec has so far refused to concur in the building of this trans-Canada highway?

Mr. Winters: Mr. Chairman, the statement made by the Quebec minister of highways at the signing conference on April 24 was the last word I have had on the subject from the province of Quebec. The statement made at that time is a matter of public knowledge, and I understand that hon. members are familiar with it.

Mr. Black (Cumberland): I should like to know whether the province of Nova Scotia and the province of Quebec are the only two provinces that have failed to sign the agreement so far. The minister told us earlier, when announcing that an agreement had been entered into with Newfoundland, that he could not give the house the reasons for the delay in signing by the province of Nova Scotia. As I understand, the province of Nova Scotia has announced the location of the trans-Canada highway and, to that extent, has approved the agreement. I have already gone on record as not approving, to some extent, the location of the trans-Canada highway in Nova Scotia.

It would appear to me that the interests of the province would be better served if this road ran to the capital city of Halifax. We should also have as great a mileage as possible. Having that in mind, the road should run to Halifax, and should also take the shortest route to serve the province of Newfoundland. This would be along the Northumberland strait, across the Canso bridge when it is built, and down to North Sydney. This was approximately the location of the road as established during the depression in the early thirties. I cannot altogether agree with the member for Cape Breton South that a 22-foot bridge would be sufficient. The province of Nova Scotia adopted, twenty years ago or more, the twenty-four foot width for bridges. I think we are entitled to some explanation as to why the engineers adopted the twenty-two foot width for this bridge, when it was so well known and so well established that all these bridges should be the full standard width of twenty-four feet. The engineers must have had some instructions either from the minister's department or from the province of Nova Scotia to justify them in starting their plans on the basis of a twenty-two foot width rather than a twenty-four foot width. Then as to why these plans should progress as long as they did or to the extent that they did, so that it postponed the calling for tenders, so that little or no work can be done this year is something as to which I think we are entitled to some explanation.

I should further like to know from the minister what proportion of this $20 million that is in the estimates now, as a statutory vote, is going to be expended in each province this season, and in what way it is going to be distributed to the different provinces. Is it going to be according to their order of application: first come, first served? Or is it to be a certain percentage having regard to the population of the different provinces and having regard to the mileage in the different provinces? I should like to know what the policy is in that regard.

As to the province of Quebec and the province of Nova Scotia—they are the only provinces that failed to sign the agreement—I should like to know whether the proportion that was properly due to those provinces would be set aside. I should further like to know from the minister if the report is correct that 50 per cent of the appropriation being made by the federal government is to be applied to the payments for work already done on the trans-Canada highway in the different provinces; and if a province makes application for 50 per cent of the amount voted by the federal government and now under consideration, I should like to know whether this amount will be made available to them for the payment of their other 50 per cent on the new work to be done.

If this has been the case, I am disappointed. I think the minister, in his agreement with the provinces, should have required the full 100 per cent of the federal appropriation to be spent in new construction of the trans-Canada highway in all the provinces. The full amount of $300 million should be available for new construction rather than applying up to half of the federal grant for reimbursing the provinces for their old expenditures. There are sections of the trans-Canada route that require complete new construction and most of the old sections require rebuilding. Many of the culverts should be renewed and many of the bridges should be rebuilt, widened and strengthened, and given a better alignment. That is the case in the province of Nova Scotia.

Another question I should like to ask the minister is whether he is able to make available to the committee a copy of the correspondence between the federal government or his department and the province of Nova Scotia. I have asked for that correspondence on different occasions but up to the last report made by the minister he did not feel free to lay this correspondence on the table. I think we are entitled to it. I should be glad to hear from the minister.

[Mr. Black (Cumberland).]

The Deputy Chairman: Shall the item carry? Carried.

Mr. Black (Cumberland): No, Mr. Chairman. Give us a chance. Let us get an answer to some of these questions. I do not like the idea of trying to railroad this through.

The Deputy Chairman: Order. I must explain—

Mr. Black (Cumberland): I asked these questions and you, Mr. Chairman, said "Carried".

The Deputy Chairman: I must explain to the hon. member that I did not hear the latter part of his remarks because I was discussing with the assistant clerk a matter which will have to come up later. As I always do, I asked "Shall the item carry?" I am sorry if I did that too soon.

Mr. Black (Cumberland): I am sorry for what I said. I apologize.

The Deputy Chairman: No. I should like to make it clear that it is not necessary for the hon. member to apologize. This time it is the chairman who should do so; and I do so accordingly.

Mr. Winters: I should be happy to answer the questions of my hon. friend whom I always like to hear speak in this chamber. I know his particular concern with the highway in the province of Nova Scotia. For that reason among others I am more than glad to answer his questions to the best of my ability.

The minister of highways acting on behalf of the province of Nova Scotia, when in Ottawa on April 24, made a statement to the effect that he thought the agreement was a good one and that he would seek authority from his legislature to enable him to sign the agreement. Since that time I have had no correspondence from the minister, and I have had no indication as to why he is withholding the completion of the agreement.

The question of the bridge at the strait of Canso and of the design of it is a matter for the Department of Transport, as my hon. friend knows; and I am not in a position to comment on that matter.

As to the question about payment by the government for roads already built, I may say that is in accordance with the act passed by parliament last year, under which the federal government contributes half the cost already incurred by the provinces in highway construction.

The hon. member asked about the $20 million in the vote this year. That was put in because it was felt that that would be

about the maximum amount of money the provinces could spend on this project and it is roughly related to the period of time over which the project will be developed, namely seven years. It is approximately one-seventh of the total amount voted by the federal government for that purpose.

What were the other questions?

Mr. Black (Cumberland): How will it be distributed?

Mr. Winters: The distribution will be in this way. As the provinces get on with their work they will be paid for work completed; and the payment for work already done will be related to the payment for work completed. Does that answer all the questions?

Mr. Black (Cumberland): I asked the minister about the money. If it can be shown that the costs of these highways being taken over as part of the trans-Canada highway are paid for by the 50 per cent of the costs paid to the respective provinces, then the provinces would not have to contribute anything. If they can take that money contribution of the federal government for the purpose of paying half the cost, they will not have to put up any new money for the trans-Canada highway. Personally, I want to register my complaint as to that. I think the entire $300 million should be used for the rebuilding and improving of the highways, bridges and culverts, widening out rights of way and so on and making it a worthy trans-Canada highway not only for today but for all time. I am opposed to this agreement, and I am sorry that the minister entered into it.

Some hon. Members: Eleven o'clock.

Mr. Bater: I should like to ask the minister if the route across the province of Saskatchewan has been decided upon between the province and the federal government. If not, I would ask the minister to be sure to have his engineers check over what we consider to be the one and only route, namely the Yellowhead route across the province of Saskatchewan.

Mr. Winters: In reply to the hon. member, may I just say that the route across the province of Saskatchewan has been chosen. It was chosen by the government of the province of Saskatchewan.

Mr. Cote (Matapedia-Matane): I should like to ask a question respecting a highway in my riding, which is of course the entrance to Quebec from New Brunswick. The road is paved, with the exception of about fifty miles, to Montreal. This is a good highway. Will the provincial government be in a position to bill the federal government to the extent of 50 per cent for the road now in existence?

Mr. Winters: If the government of the province of Quebec enters into an agreement with the federal government under the Trans-Canada Highway Act; if there is a road already in existence which conforms to the standard laid down in the specifications drawn up under the terms of the act, and if the accounts are submitted as set out in the act and meet the scrutiny of the federal government as provided in the act; then they will receive half the cost of construction.

Mr. Macdonnell (Greenwood): Five jumps to get over.

Mr. Higgins: The minister announced today that the new province had signed the trans-Canada highway agreement. Is there any significance between the signing today and the event that takes place tomorrow in Newfoundland, the 453rd anniversary of the discovery?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): There being no more legislation, except the appropriation bill, on Monday we will consider estimates. The following departments are ready: national defence, trade and commerce, post office, resources and development, secretary of state, transport and justice.

An hon. Member: In that order?

Mr. Fournier (Hull): For the first two, at least.

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

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

DEPARTMENT OF FINANCE

General administration—

85. Departmental administration, $1,392,488.

86. Comptroller of the treasury—central office and branch offices administration, and to authorize payment to Norman Bell of compensation at a rate equivalent to £4-10-0 per week in respect of injuries received while employed in the overseas office of the comptroller of the treasury, $11,302,552.

Administration of various acts and costs of special functions—

87. Superannuation and retirement acts, administration, $188,700.

88. The Bank Act—salaries and expenses of the inspector general of banks' office, $28,400.

89. Administration of the Farmers' Creditors Arrangement Act, 1943, and the Municipal Improvements Assistance Act, 1938, $34,202.

90. Administration of the Farm Improvement Loans Act, 1944, and the Veterans' Business and Professional Loans Act, 1946, $55,520.

Supply

91. Foreign Exchange Control Act, 1946—administrative costs (other than those provided by the Bank of Canada), $205,500.

92. Expenses of the tariff board, $109,080.

93. Expenses of the Royal Canadian Mint and the assay office, Vancouver, B.C., and to authorize commitments against future years in the amount of $200,000, $864,835.

The wartime prices and trade board—

94. Administration, $1,907,142.

95. Commodity Prices Stabilization Corporation—adjustment payments in respect of subsidies previously paid, and costs of administration, $500,000.

96. Administration of employees' instalment purchase plan including sale and delivery of Canada Savings Bonds to government employees, $79,125.

Special—

676. To authorize and provide for an initial grant to the province of Manitoba to assist it in meeeting costs incurred as a result of the Red river floods in 1950. $12,500,000.

677. To provide for costs to be incurred in the planning and construction of emergency works to safeguard against the dangers of floods in the Red river valley and the Winnipeg area generally, under an agreement or agreements with the province of Manitoba which shall provide that Canada shall meet 75 per cent of the costs of such works, excluding the costs of land, and that Manitoba, or its municipalities or residents, shall meet the remaining cost, including the cost of land, $1,000,000.

678. To authorize and provide for a grant to assist the province of Quebec to meet costs incurred as a result of the large fire in Rimouski in May, 1950, $2,500,000.

679. To authorize and provide for a grant to assist the province of Quebec to meet costs incurred as a result of the large fire in Cabano in May, 1950, $300,000.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

Forestry branch—

383. Administrative division, $70,000.

384. Forest research division, $819,675.

385. Forestry operations division, $61,290.

386. Forest products division, $644,450.

387. Grant to Canadian Forestry Association, $4,000.

Eastern Rockies forest conservation board—

388. To provide for the salaries and expenses of federal members of the board and their alternates, and sundry expenses in connection with the maintenance and operation of the Ottawa office of the board, $22,300.

389. Federal contribution towards annual maintenance, including staff and expenses, $175,000.

390. Forest insects control board, $13,780.

Special projects branch—

391. Administrative division, $58,080.

392. Projects division, $32,550.

B—National film board—

401. Administration, production and distribution of films and other visual materials, including authority to finance temporarily work performed for other public authorities or other agencies as the public interest requires, $2,092,413.

402. Acquisition of equipment, $118,604.

HOUSE OF COMMONS

Monday, June 26, 1950

The house met at eleven o'clock.

RADIO BROADCASTING

Third and final report of special committee on radio broadcasting.—Mr. Maybank.

OLD AGE PENSIONS

TABLING OF REGULATIONS

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I wish to table regulations made under the Old Age Pensions Act.

Mr. Stanley Knowles (Winnipeg North Centre): Will the minister say whether the regulations he has tabled deal with matters of substance, and whether they were approved by the interprovincial committee on old age pension regulations?

Mr. Martin: That depends upon what is regarded as a matter of substance. I think my hon. friend and I had better look at the regulations and refresh our memories in the matter.

Mr. Knowles: The minister had better speak for himself.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PROSECUTIONS FOR OPERATING MOTOR VEHICLES WHILE INTOXICATED

Mr. Diefenbaker:

1. How many prosecutions, by provinces, of persons charged with operating motor vehicles while intoxicated, took place, and on what date, in each month since the 1st of June, 1949, and of these, how many convictions were registered?
2. Of those who were convicted, how many received imprisonment of (a) seven days; (b) seven to fourteen days; (c) thirty days?
3. In how many of such convictions were their drivers' licences suspended (a) temporarily; (b) for a period of three months or more?

Mr. McIlraith: The information asked for in this question is not available in the form in which it is asked for, but there is a considerable amount of related information available in a publication which I am sending to the hon. member. That will be supplemented by further information that may be available, but it is not possible to answer the question as it stands, and I suggest that it be dropped.

Mr. Diefenbaker: Is there any reason why parts 1 and 2 could not be answered? Those statistics should be available.

Mr. McIlraith: The statistics of convictions are kept on a yearly basis for the year ending September 30; the information is compiled for the year ended September 30, 1948. The publication I am sending the hon. member—

Mr. Knowles: What is the title of the publication?

Mr. McIlraith: "Statistics of Criminal and Other Offences for the Year Ended September 30, 1948." The information for the year following has not yet been compiled, and in any event the information is not compiled in the way asked for in the question; it is compiled on the basis of the time of trial. As to the third question, the information as to suspension of licences is not available.

I might add that since nine o'clock this morning I tried to reach the hon. member a great many times and was not able to do so. The whole question of the form of preparing statistics on criminal offences is now being studied with a view to changing the method.

Mr. Diefenbaker: I would ask that the question be allowed to stand until I have an opportunity to discuss it.

Mr. Green: Why does the year end on September 30?

Mr. Speaker: Stand.

Mr. Diefenbaker: I notice this question was answered by the Department of Trade and Commerce. Would not that information be in the Department of Justice?

Mr. Garson: I would think not. The compilation of this information, which is taken from the records of the provincial attorneys general departments, is carried on by the bureau of statistics, as I understand it, which, as my hon. friend is aware, comes under the Department of Trade and Commerce.

"FULL EMPLOYMENT"

Mr. Noseworthy:

1. What is the government's definition of full employment?
2. Has the government considered the setting of a specific target in terms of the number or percentage of the labour force unemployed, above which special action might be taken to increase employment?
3. If so, what is the result of such consideration?

Questions

Mr. McIlraith:

1. The government has no rigid statistical definition of full employment. The term is to some extent elastic. In general, it reflects a condition in which all persons wishing to work are able to find jobs, but with reasonable allowance made for those who, for seasonal or other reasons, are in between or changing jobs.

2. Yes.

3. A rigid target in terms of a single objective is generally considered oversimplified and unrealistic, particularly for an economy like that of Canada. Any single national target might overlook the important problem of regional and local unemployment which may be considered serious even when the national average is low.

The government directs its over-all economic policy so as to create, as far as possible, an economic atmosphere favourable to the maintenance of high employment. In addition, in the event of dislocations of national consequence resulting from changing patterns of demand, the government would take special measures to ease the necessary adjustment.

The level of unemployment at which special measures should be adopted, and the extent and character of such measures, would depend on the nature of the unemployment problem and the general economic conditions prevailing at the time. The government feels that the complexity of the factors involved in maintaining a high level of employment in Canada calls for a flexible rather than a rigid or mechanical approach.

CANADIAN NATIONAL RAILWAYS—OIL AND MINERAL RIGHTS, SASKATCHEWAN AND ALBERTA

Mr. Diefenbaker:

1. When the Canadian National Railways or the government of Canada took over the assets and liabilities of the Canadian Northern Railway, did such assets include the oil and mineral rights of the said Canadian Northern Railway in the provinces of Saskatchewan and Alberta?

2. If not, in whom were the said rights vested at that time?

Mr. Chevrier:

The Canadian National Railways advise as follows:

1. Yes.

2. See answer to No. 1.

WINNIPEG GRAIN RESEARCH LABORATORY

Mr. Winkler:

1. How many persons are employed by the grain research laboratory, under the board of grain commissioners at Winnipeg, Manitoba?

2. What are their names and respective salaries or wages?

3. How much space is required for this service, and what is the rent paid for such space?

Mr. McIlraith:

1. 35.

2. See statement below.

3. 7,177 square feet; $13,239.60 per annum.

Board of Grain Commissioners for Canada
Grain research laboratory staff

Name	Annual salary rate
Anderson, Dr. John Ansel	$6,900
Hlynka, Dr. Isydore	5,040
Meredith, Dr. William Ogilvie Swinton	4,740
Aitken, Thomas Robert	4,440
Irvine, Dr. George Norman	3,480
Cunningham, Dr. David Kenneth	3,480
Levi, Iser	3,480
Bass, Edwin Jerome	2,580
Dempster, Cecil John	2,580
Templin, Paul Rieff	2,580
Paull, Allan	3,840
Hlynka, Kassian	3,480
Fisher, Major Harry	3,180
Martens, Victor	2,880
Bettner, Robert Edward	2,580
Capewell, Albert Thomas	2,460
Ponting, Henry John	2,340
Black, Hugh Campbell	2,160
Reichert, Theodore Joseph	2,160
Waugh, John	2,340
Bradley, John William	2,040
Cheale, Robert James	2,160
Wilson, Lawrence Emerson	2,160
Le Seelleur, Gordon Cabot	2,160
Rerie, Kenneth Jack	1,860
Glenday, Donald Alexander	1,680
Hill, Chester Ermon	1,680
Keating, Ralph Patrick	1,680
Dalik, Mrs. Dorothy Evelyn	1,800
Kuzina, Fred Donald	1,590
Kilborn, Reuben Henry	1,800
Wagner, Herbert	1,980
McLeod, Miss Edith Lavina	2,220
Balban, Miss Mary	1,680
Chrzanowski, Miss Lucy	1,500

Total salaries: $94,710.

UNEMPLOYMENT—SEASONAL OR REGIONAL

Mr. Noseworthy:

1. Has the government taken any action designed to counteract the recurrence of seasonal and/or regional unemployment next winter?

2. If so, what is the nature of such action?

Mr. McIlraith: The government does not subscribe to the view that a precise program which would adequately deal with an unemployment situation can be formulated until

the nature and extent of the whole unemployment problem becomes apparent. The government is prepared at all times, so far as is consistent with other necessary objectives of efficiency and economy, to adjust its expenditure operations so as to counteract any significant increase in seasonal and regional unemployment.

Seasonal unemployment has always been a factor in the Canadian employment picture. Given the extremes of our climate and the buying habits of the Canadian public, some variation in activity from one season to another can scarcely be avoided in many industries. The extent of such seasonality in recent years has not been considered a serious threat to national well-being so long as the demand structure underlying our economy remains firm.

With respect to regional unemployment, conditions in all sections of Canada are kept under review so that the government may adapt its regular program, or take special measures when considered necessary in the national interest, to counteract unemployment. For example, projects have been authorized for the maritime region with a lower priority rating than elsewhere in Canada. Also, in making up their expenditure program, departments have been directed to bear in mind the recurrent unemployment problem in the maritimes.

PURCHASES BY GOVERNMENT OR CANADIAN NATIONAL RAILWAYS FROM VARIOUS COMPANIES

Mr. Knowles:

1. Has any department of the government or the Canadian National Railways made any purchases during the past three years from (a) the Northwest Brass Company; (b) the Dominion Wheel and Foundry Company; (c) T. McAvity and Sons; (d) the Montreal Locomotive Works; (e) the Canadian Locomotive Works; (f) the Canada Car and Foundry Company; (g) the Bird-Archer Company?

2. If so, who are the principal stockholders and bondholders in each case?

Mr. Bradley: Mr. Speaker, I would ask that the first part of this question stand. I point out to the hon. member for Winnipeg North Centre that the information asked for in the second part of the question is not within the records of government departments. Therefore I suggest that it be dropped.

Mr. Speaker: Dropped.

Mr. Bradley: The first part of the question stands, Mr. Speaker.

Mr. Knowles: Let the whole question stand. You can make your reply to both parts of the question when you answer it.

Mr. Bradley: It does not make any difference.

Mr. Speaker: Stand.

AERIAL PHOTOGRAPHY

Mr. Bradley: Mr. Speaker, I should like to refer to a question asked by the hon. member for Melfort (Mr. Wright) which was answered on May 25. The answer given at that time is to be found at page 2827 of *Hansard*. It was incomplete, and I should like to table the answer now.

Mr. Wright:

1. What firms received contracts for aerial photography work in the three western provinces in 1949?

2. What price was paid for the work done?

3. Were these contracts let by tender?

4. Have any contracts for aerial photography work been let in the province of Saskatchewan for 1950?

5. If so, who are the contractors and what is the price to be paid for this work?

6. Were tenders called for these contracts?

Mr. Bradley:

So far as the Department of Agriculture is concerned:

1. In 1949 two air survey companies were given contracts for contour mapping. They were:

(1) Aero Surveys Limited, Vancouver, B.C.; (2) Photographic Surveys Corporation, Toronto, Ontario.

2. Aero Surveys Limited

To supply maps on a scale of 200 feet to the inch with a contour interval of 3 feet: Photography, $0.08 per acre; Mapping, $0.85 per acre; Spot heights, $6.50 per 160 acres.

Photographic Survey Corporation

(a) To supply maps on a scale of 200 feet to the inch and 3 foot contour interval: Photography, $0.05 per acre; Mapping, $1.09 per acre.

(b) To supply maps on a scale of 200 feet to the inch and 5 foot contour interval: Photography, $0.05 per acre; Mapping, $0.86 per acre.

3. Yes. The rates charged by each company are comparable because it was necessary for P.F.R.A. to supply considerably more ground control data to Aero Surveys Limited than to Photographic Surveys Corporation.

4. No.

5. See answer to No. 4.

6. See answer to No. 4.

So far as the Department of Mines and Technical Surveys is concerned:

1. Survey Aircraft Limited, Vancouver; contract for approximately 12,212 square miles in Manitoba and Saskatchewan.

Inquiries of the Ministry

Arctic Air Lines Limited, Edmonton; contract for approximately 12,947 square miles in Saskatchewan and Alberta.

Air Surveys Limited, Edmonton; contract for approximately 10,740 square miles in Saskatchewan.

2. Survey Aircraft Limited, $48,979.55; Arctic Air Lines Limited, $55,741.96; Air Surveys Limited, $48,067.87.

3. Yes.

4. Yes.

5. Survey Aircraft Limited, Vancouver; approximately $15,093.60.

Air Surveys Limited, Edmonton; approximately $61,221.60.

6. Yes.

So far as the Department of National Defence is concerned:

The Department of National Defence did not make any contracts for aerial photography work in the three western provinces in 1949.

EXTERNAL AFFAIRS

SITUATION IN KOREA—ACTION OF UNITED NATIONS SECURITY COUNCIL

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I should like to direct a question to the Prime Minister or the Secretary of State for External Affairs. In view of the extremely serious situation which has developed over the week end in Korea, and the action of the security council of the United Nations, in which all of us are so deeply interested, will the Prime Minister or the Secretary of State for External Affairs inform the house as to any details which will be of assistance to us in appreciating the situation so far as Canada is concerned?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am not able to give a very full report on this matter at the present time. Information is continuing to come in. As hon. members know, we do not have our own representative in Korea; therefore for our information we rely on our representative at the United Nations, who is in close touch with the United Nations agencies concerned with this matter, and on friendly governments who are represented in Korea itself.

It appears, however, from the information which is now available that an unprovoked aggression has been committed by the forces of the government of North Korea, which we have not recognized, against the government of the republic of Korea. Information which would substantiate that statement has been

received by the United Nations secretary general from the United Nations commission stationed in Korea which has reported on this incident to Lake Success. As a result of that report, as hon. members know a meeting of the security council was called yesterday. At that meeting a resolution was passed by unanimous vote, nine to nothing, with Yugoslavia abstaining and the U.S.S.R. of course absent. Possibly I might put the resolution on record. It reads as follows:

The security council,

Recalling the finding of the general assembly in its resolution of 21st October, 1949, that the government of the Republic of Korea is a lawfully established government "having effective control and jurisdiction over that part of Korea where the United Nations temporary commission on Korea was able to observe and consult and in which the great majority of the people of Korea reside; and that this government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the temporary commission; and that this is the only such government in Korea";

Mindful of the concern expressed by the general assembly in its resolutions of 12th December, 1948, and 21st October, 1949, of the consequences which might follow unless member states refrained from acts derogatory to the results sought to be achieved by the United Nations in bringing about the complete independence and unity of Korea; and the concern expressed that the situation described by the United Nations commission on Korea in its report menaces the safety and well-being of the Republic of Korea and of the people of Korea and might lead to open military conflict there;

Noting with grave concern the armed attack upon the Republic of Korea by forces from North Korea;

Determines that this action constitutes a breach of the peace,

I. Calls for the immediate cessation of hostilities; calls upon the authorities of North Korea to withdraw forthwith their armed forces to the thirty-eighth parallel;

II. Requests the United Nations commission on Korea

(a) to communicate its fully considered recommendation on the situation with the least possible delay;

(b) to observe the withdrawal of the North Korean forces to the thirty-eighth parallel;

(c) to keep the security council informed on the execution of this resolution;

III. Calls upon all members to render every assistance to the United Nations in the execution of this resolution and to refrain from giving assistance to the North Korean authorities.

That is the resolution passed by the security council yesterday. I feel certain that it will commend itself to all members of the house, and I hope that as a result of the intervention of the United Nations some effective action may be possible in this very difficult situation to restore peace to that area, having in view, as the security council itself has stated, that the action taken by the North Korean forces constitutes a breach of the peace, and in spite

of any reports we may receive to the contrary seems to have been an action of unprovoked aggression.

Mr. Graydon: Are there Canadian missionaries and others in Korea? If so, is there anything the Canadian government can do to protect their interests or safety at this time?

Mr. Pearson: We have been looking into that matter already to see what we can do to protect, if protection is needed, Canadian nationals in Korea. We have not exact information as to the number, or indeed whether there are any Canadians in the area affected, but as soon as we receive that information we will take whatever steps are open to us to safeguard them to the best of our ability.

Mr. Graydon: Are there Canadians on the United Nations commission in Korea?

Mr. Pearson: There are Canadian members of the secretariat of the United Nations commission on Korea. Those three Canadians are there now, and there is one Canadian married to a member of the secretariat. We have been in touch with the secretariat as to their welfare, and we have been told they are in no immediate danger.

Mr. Green: If I may ask the minister another question, do these events alter the attitude of the government toward the setting up of a Pacific defence council?

Mr. Pearson: No, Mr. Speaker. Nothing I have learned about this situation in the last forty-eight hours would alter any opinion I may have had previously about the desirability at this time of setting up a Pacific defence council along the same lines as the North Atlantic council.

CHEESE

QUESTION AS TO DECLINE IN PRODUCTION AND INCREASE IN PRICE FOR EXPORT

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the parliamentary assistant to the Minister of Agriculture, arising out of the serious decline in the production of Cheddar cheese for export. The daily production of one factory alone decreased from 26 to 17—

Some hon. Members: Question.

Mr. White (Middlesex East): You will get it. Will the government reconsider its requisition order and increase the price for export cheese to conform to the price for concentrated milk, in order to retain for Canada the export market in the United Kingdom?

Inquiries of the Ministry

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, I am quite well aware of the situation to which the hon. member for Middlesex East has drawn my attention. I admit that in some districts of western Ontario the concentrated milk people are taking some of the milk that formerly went to cheese factories; but any change that might be made is a matter of policy which will be announced in due course.

COMBINES INVESTIGATION ACT

REPORTED APPOINTMENT OF COMMISSION TO CONSIDER AMENDMENTS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Justice, following press notices to the effect that a commission is to be set up with a view to making recommendations concernings the Combines Investigation Act. I would ask the minister whether it is a fact that such a commission is to be set up.

Hon. Stuart S. Garson (Minister of Justice): It has been and still is my intention to make an announcement in this connection as soon as the personnel of the commission is completed. Three of the four we propose to appoint to the commission have already agreed to accept that appointment, and at the present time we are in communication with the fourth. As soon as the personnel is completed, an announcement will be made.

Mr. Diefenbaker: Then may I ask the minister what the commission is to do?

Mr. Garson: It might be preferable for me to cover that question more fully in the announcement to be made in due course; but for the present I may say that after he had been in his position for some time the new commissioner under the act, Mr. MacDonald, represented that in view of the consideration that has been given this subject, particularly since the war, in other jurisdictions such as the United States, it would be desirable to appoint a commission to examine the act and see if it could be made more satisfactory and more workable than it is at present. I think my hon. friend is referring to the statement which appeared in the Montreal *Gazette*, and I should emphasize the fact that no specific proposals or ideas will be submitted to the commissioners. They will be perfectly free to consider in an objective manner whether they think anything can be done, and if so, to state what in their judgment should be done.

Inquiries of the Ministry

Mr. Smith (Calgary West): I think it is an excellent idea to appoint a commission to do exactly nothing; so far we have had every other kind.

CIVIL SERVICE

INQUIRY WITH RESPECT TO SUMMER WORKING HOURS

On the orders of the day:

Mr. J. T. Richard (Ottawa East): I should like to ask the Secretary of State whether any further representations have been received from organized groups in the civil service with respect to hours of work during the summer, and whether further consideration will be given the change which the civil servants have proposed.

Hon. F. G. Bradley (Secretary of State): So far as I am aware, no representations have been made since the order was issued. If any are made, presumably they will be considered when they are received.

POSTAL SERVICE

DENIAL OF THE USE OF MAILS—CALGARY STAMPEDERS

On the orders of the day:

Mr. A. L. Smith (Calgary West): I had intended to direct this question to the Postmaster General, but perhaps in his absence it can be answered by the Minister of Justice. The question arises out of a dispatch appearing in the Toronto *Daily Star* of Saturday last, to the effect that all postal privileges of the Calgary Stampeders football club and T. L. Brook, as president, have been suspended until at least July 14. It also advises that the use of the mail for lottery purposes is contrary to postal regulations. Since it is a well-known fact that the Criminal Code of Canada provides ample machinery for the punishment of persons conducting lotteries, why has this bureaucratic, arbitrary, arrogant and stupid procedure been adopted?

Some hon. Members: Order.

Mr. Speaker: Orders of the day.

Some hon. Members: Answer.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think that is a question that requires any answer in this house.

Mr. Graydon: The Stampeders should have an answer.

Mr. St. Laurent: If the Stampeders require an answer they should have their question put in more proper form.

[Mr. Garson.]

CANADIAN NATIONAL RAILWAYS

PRINCE EDWARD ISLAND—USE OF DIESEL LOCOMOTIVES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): With the change-over to diesel engines on the island division of the Canadian National Railways, which includes Prince Edward Island, I would ask the Minister of Transport to keep in mind the understanding that there will be no layoff of men as a result.

Hon. Lionel Chevrier (Minister of Transport): I shall be glad to bring the matter to the attention of the Canadian National Railways.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed, $384,932,304.

Mr. Drew: Mr. Chairman, this covers the bulk of the items of the department. When it was last before the committee a number of questions were asked in regard to certain details. Some time has since elapsed, and in the intervening period events of considerable importance have emphasized the necessity of considering these estimates with due regard to their significance as related to our present situation in a very troubled world.

If there was any atmosphere of unreality surrounding the discussion of defence estimates up to this point, it must have been removed by the events of the past forty-eight hours.

Mr. Chairman, I shall wait until the various conferences that are taking place in the chamber have resolved themselves to some conclusion.

The Chairman: Order.

Mr. Drew: We now have seen events take place which we hope will have a satisfactory solution. It must be the immediate hope of every member that the action of the United Nations, which has been taken so promptly, will result in the explosive conditions which developed in Korea being remedied, because on the one hand it would protect people who have been attacked without justification, and

on the other hand it would retain and strengthen public opinion behind the United Nations.

One of the things which has been emphasized with the greatest force in the sudden developments of Saturday last is that those nations which hope to preserve their freedom must have defence forces in being, as was indicated only a few weeks ago by the Secretary of State for External Affairs. There is general agreement that the only hope of preserving peace is that the nations which are joined for the defence of freedom shall be able to act whenever freedom is threatened. Korea is not covered by the Atlantic pact; nevertheless Korea is a direct responsibility of the United Nations, within the framework of which the community of Atlantic nations has been carrying forward its efforts to preserve peace. Today there are no little nations far away. Today Korea is closer to us in terms of transportation time, in terms of information which can be flashed by wireless and by cable, and in terms of direct impact upon our own future, than was Poland in September, 1939. At that time there was no direct access to Poland by the western allies. There was little direct communication; there was in fact no way in which the western nations could exercise any direct and immediate influence upon the course of events in Poland in September, 1939.

Today it is impressed upon all of us that what we are considering when we examine the estimates of the Department of National Defence is survival in a world in which war is becoming a matter of obliteration. Therefore the first consideration that should be in our minds in examining these estimates is the results that are to be produced by these estimates in terms of armed forces in being, ready to go into action should such a dreadful necessity arise. There is no reason why any hon. member of this house should back away from the recognition of the fact that the only way we can preserve peace, the only way we can prevent such occurrences as are taking place today in Korea and are taking place in so many other countries in the past few years, is for Canada and other nations in the Atlantic community to demonstrate clearly to the aggressors in the Kremlin that we are ready. We should demonstrate that any move on their part against us, or against any one of the member nations, can be dealt with by an armed force that is ready to be used. That is the test, and it is upon that basis that we have expressed our hope that peace can be preserved. The first question that we should ask ourselves in examining these estimates, which are lumped substantially in a single item, No. 202, is what armed forces in being are to result from the money that is to be spent.

We know that Russia is working by every device in her power for revolution in countries that are believed to be ripe for revolution, and seeking to pave the way for revolution in countries where that might not seem an immediate prospect, as in Canada, but where it is believed that at some distant date it may become an immediate possibility. The Russians are also working for the destruction of our economic system by such trade arrangements as will undermine our trading arrangements; by the depression of prices which will interfere with the strength of our economy generally, and by the disruption of our economic structure internally through infiltration into particular fields of our economic and social life. We have been seeing a new kind of war. We talk of cold wars and hot wars, but they are all wars of aggression. The Russians have demonstrated that the first stage can be just as effective in reaching their objectives as the second stage. Undoubtedly they will delay the employment of any overt acts within that second stage as long as they are meeting with success in the first stage.

It would appear that the attack in Korea on Saturday does suggest the possibility that they are ready to contemplate entering the second stage. No thoughtful person can be in any doubt that the government of northern Korea did not launch that attack without the full authority of the Kremlin, without the advice of the Kremlin, and without military assistance from their general staff. Therefore we must examine these events, and the implication of the seriousness that they convey to us of possible changes in policy at the Kremlin. The year 1950 may well be the most significant and critical one in the history of modern man; it may well decide whether all the hopes of those who met at San Francisco five years ago this spring are to turn to ashes, or whether they are to reach vigorous and effective fulfilment as a result of action taken by the United Nations at this time.

The estimates before us cover 1950 and the first months of 1951. We therefore examine them in relation to these events and with the perspective which they give to everything that may result from the expenditure of the money we are now being asked to supply to the Department of National Defence. No one should hesitate to examine the present situation in terms of the most exact reality. No one should hesitate to examine our situation in this country, which is one of the

signatories to the Atlantic pact, in the perspective we now have as a result of these recent events. What is our position today? It is easy to be beguiled into a feeling of comfortable assurance by impressive demonstrations—and they are impressive—unless one examines them against the broad background of the reality with which we are confronted.

When we see the members of our armed forces, we have reason for pride in the evidence of training, of discipline and of spirit that is shown by every one of these young men and women in the navy, the army and the air force. When we see any of the naval, army or air demonstrations we can only be impressed by the skill, the evidence of training and the high measure of discipline with which the duties assigned to these services are carried out. Nevertheless we must examine each of these demonstrations in proportion to the task that lies before us. When we consider how many active service squadrons we have in being, ready to take their part, we can only form an impression of their ability to share in the joint responsibility which we all now share when we consider how many squadrons of different types there are in the Russian air force and in the air forces of the nations which serve the orders of the Kremlin. When we see displays of the forces of the army, the same question must present itself; and so it is when we see displays of our naval forces, no matter how impressive they must be.

In the very nature of the rigid secrecy which Russia seeks to place around her own country and around all the satellite nations, exact figures are difficult to obtain, even for those with access to all the most secret intelligence information. Nevertheless, in responsible publications there have appeared figures based upon information which can be obtained from time to time and which probably does bear some reasonable relationship to the reality of the moment. From time to time Russians who have been in all the widely-separated parts of Russia have found their way out of that country through Berlin, and on other frontiers, and their information does become available. Whether these figures are exact or not, there have been published recently in the United States statements to the effect that at the present time the Russian air force has in being squadrons with some 9,000 jet fighters alone; also squadrons with thousands of bombers, and squadrons with at least 10,000 transports, and probably a great many more. There are also reliable estimates that their production, at a minimum, is 10,000 planes a year and probably far beyond that, with all the satellite areas under their control.

From reliable information made public through the periodical magazines and the press, we have the fact that the Russian army is made up of forces in being with at least 2,600,000 men organized into 130 airborne and infantry divisions at least, and 30 armoured divisions at least. These 160 divisions are the Russian divisions alone. In addition to that are all the divisions organized in Poland, Roumania, Hungary, Bulgaria, Czechoslovakia, China, and the other satellite nations. As a result of the technical assistance, to say nothing of the capital plant which the Russians were able to obtain by their occupation of eastern Germany, we also know that their submarine production is at a high level; that they probably have at the moment at least 300 of the most modern submarines, and that their production is constantly being accelerated.

It is against the reality of figures such as these that we must consider what is happening here and what is happening in the other free nations. We have seen magnificent demonstrations of aerobatics, of formation flying, and of other air skill carried out with Vampires of the late war type. We have seen demonstrations carried out with other aircraft. But the question that presents itself to each one of us now is this: How many squadrons have we in being equipped with fighters of the most modern kind ready to go into action against any enemy which might present itself? We know the answer. We know that we are still preparing, and that the equipment of our squadrons with the most modern type of fighter aircraft is still some distance away.

Again, in the case of our naval forces, the Minister of National Defence has stated, and stated correctly, that at the present time they are nearer to being on an active service basis than any of our other forces. But again their strength and their capacity to assume our share of the responsibility under the Atlantic pact must be measured in proportion to figures of this kind.

The same is true of our army formations. We have one brigade group and other units of various kinds. Even there we must ask how fully that brigade group is armed to carry out its responsibility as an active force in being.

There can be no question about the training of the men, no question about their skill, no question about the spirit in which they carry out their tasks. The question is, have they the equipment that makes them, by the most modern standards, an active service force in being?

In all this I am not suggesting for one moment that Canada can or should at any

time contemplate the possibility that it alone can meet the onslaught of the one aggressor that threatens our freedom and the freedom of other nations. Nevertheless, under the broad terms of the joint responsibility which is implicit in the Atlantic pact, we must ask ourselves how close we are to having those forces in being which will take their share as part of one combined team whose strength will be such as to deter the Russian aggressors simply by evidence of immediate and effective strength.

We still can be greatly impressed by the efficiency with which these tasks are carried out. Last Thursday many hon. members had the opportunity to see the demonstration of fire power at Petawawa. Petawawa is one of the finest artillery camps in the whole world, if not the finest. In general layout, in area available, in facilities for fire training, it is probably not exceeded by any other artillery camp anywhere. Those who saw that demonstration of fire power saw highly efficient gunners under highly efficient officers showing what can be done with artillery weapons, both in accuracy and in massing of fire power. From speaking to those who saw that demonstration I know that it did convey an impression both of efficiency and of strength. It is certainly no reflection of any kind on the men who carried out those tasks so efficiently to recall that this was a relatively small demonstration with 1945 equipment, and this is 1950. We all know that the equipment of 1945 and the gunpower of 1945 were extremely effective at that time. But today we must examine any demonstration of this kind in terms of the most modern equipment, and we must seek to ascertain whether the very large appropriations we are making are providing our armed forces with the most advanced equipment, with the most advanced instruments, with the most advanced system of communication and air co-operation, so that the force in being is one which is established and equipped in terms of the world conditions and the world realities that we are called upon to face.

I repeat that from the estimates before us we do not know, and there is no way in which we can know, what part of this tremendous expenditure is being devoted to the acquisition of the most modern equipment, how much of it is going to produce armed forces in being on an active service basis with regard to the fact that we must not only be armed and equipped as well as the Russians, but, because of our smaller numbers, that our arms and equipment in every branch of the services must be far beyond theirs and in keeping with the superiority of our industrial technique and our industrial production.

Let us see what we obtain from the estimates. We are dealing with a single item covering $384,932,304 out of a total of $425 million to be voted. A substantial part of that is for pay and allowances, civil salaries and wages, other fixed charges, and a number of details of a strictly administrative character; but the bulk of that figure is not made up of items of that kind. In what are described as details on page 168 of the estimates we find these bulked under such uninformative wording as, under the heading "Navy":

General—

Acquisition, construction, purchase, maintenance, repairs, rentals and operating expenses of properties.

We know of course that many of these properties are service properties which form an essential part of our actual service requirements. Then we have:

Personnel supplies and services; stores and equipment.

There are other general terms after "Stores and equipment." There are similar items under the heading "Army" and similar items under the heading "Air." Instead of giving the details, these items are worded in the most general terms to embrace practically the whole field of our defence requirements, outside of wages, salaries and other fixed charges. These amount to extremely large totals. In the case of the navy, the items under "General," which are described in such all-embracing terms as those which I have mentioned, amount to $58,265,022. The so-called details under the heading of "General" in the case of the army amount to a total of $59,183,144. The general items under air, again in the same broad and general terms, amount to $126,164,221. The total of these general items under the heading of navy, army and air is $243,612,387. That is a huge sum.

That amount will not be challenged by the people of Canada, nor do I think it will be challenged by any member of this house. But what should be sought by the members of this house and by the people of Canada is a great deal more information than they now have as to what lies behind these broad and general terms and what we may expect in the way of military forces being ready to play their part under the terms implicit in the Atlantic pact. We have been told by the Secretary of State for External Affairs, who was only repeating in this house what had been said by the representatives of other governments ocupying similar positions, that no longer can any nation which hopes to preserve its peace expect to be able to prepare behind the ramparts of sacrifices of some other nation.

He was stating a clear and simple proposition that in the reality of warfare that we face today the only way we can hope to preserve the peace is to regard this situation with all the cold reality which it demands and to say to ourselves that we cannot hope to let nuclear forces be developed into larger forces behind the ramparts of the sacrifices of other nations which would bear the first impact of war of the modern type. When one examines the figures we have before us, which I am inclined to think the intelligence branch of the government will say are below rather than above the reality of the Russian strength, he must recognize our position when aircraft can fly thousands of miles and return to their bases after dropping their bomb loads, or, perhaps even more dangerous, dropping their loads of armed men.

I can only repeat the request I have made of the Minister of National Defence on the two earlier occasions when these estimates were before us, that he give us information and, through us, give the people of Canada information so that we may know what our position actually is. The people of this country will support this government in every effective step that is necessary to preserve the peace for which the people have paid so great a price. Having paid that price the people have the right to know, in much more detail than they know today, what armed forces in being will result from the expenditures that are to be made this year, and what we can actually expect our armed forces to be ready to do as one of the members of that great community organized together in the cause of peace, whose preparations are only for the purpose of preserving peace.

It is with that thought in mind, and only with that thought in mind, it is with the knowledge of the dreadful reality with which we are confronted today, that I repeat my request that the Minister of National Defence give us the kind of information that is available to the people of the United States, where secrecy is surely just as important as it is here; to give to us the kind of information which is available in other countries which have joined with us in the great work of preserving freedom for mankind.

Hon. Brooke Claxton (Minister of National Defence): Mr. Chairman, I am sure that hon. members will agree with a great part of what the leader of the opposition has said. If I may say so, he is going over familiar ground, because much of this has been said before in this house by himself and others, and by other leaders of the democratic countries. He has put fairly and squarely before the committee the great desirability of the North Atlantic treaty nations having the greatest possible forces in being with which to deter aggression, or, should an emergency arise and aggression take place, to defend themselves and defeat the aggressor. With that objective everyone in this house, and I am sure everyone in the country and all the people of the north Atlantic countries, are in agreement.

The defence ministries of the twelve countries are doing what they can with the resources put at their disposal to secure that result and to make as great progress as they can. But this is by no means an easy task. It is one which cannot be accomplished by means other than the resources which are made available out of the national production of each country and voted by parliament. In our case, as I have said, we are seeking $425 million for defence in the year 1950-51. I do not suggest that this sum will provide us with as much in the way of forces in being as we should like to have.

The question, as I have suggested on every occasion when these estimates have come up, is whether or not the money appropriated is being spent in the right way as between the navy, army, air force, and defence research, and whether or not it is being spent in the right proportions as between personnel, equipment and property. That is the problem of defence planning, and it is by no means an easy problem, here or anywhere else.

I appreciate the generous references made by the leader of the opposition to the officers and men of the armed forces. As he said, we have reason to be proud of them and to be impressed by their skill and the evidence of training and high level of discipline. I have probably seen more of our armed forces than anyone else in this country since the war, and I must say it has been impressive to see the progress that has been made in all directions since 1946.

The leader of the opposition asks whether that progress is being made along sound lines. I can only express my opinion based on information and advice I have, not only from the chiefs of staff and other advisers of the government, but also from my discussions with my opposite numbers in other countries, and with many of their chiefs of staff. It is my opinion that, given our geographical position, our role in defence and the resources put at our disposal, we are spending the money on sound lines.

If I may go over old ground again for a minute or two, I should like to refer to what the positions and roles of the services are. Taking the navy first, its role is obviously antisubmarine work—the protection of our coasts and shipping against submarines and mines. We have as large a number of vessels in commission as we can operate with the

$82 million made available for the navy, and at the same time do the essential work of constructing the nine new vessels which are now under way. There are 41·5 per cent of our naval personnel at sea. That is a very high proportion, higher than we had during wartime. I believe it is higher than any other country, and possibly it is too high because in a sense we may be too operational for the strength and resources of the navy. Nevertheless, because of the way in which the post-war organization of the navy has been proceeded with, we have managed to attain that result.

As evidence of what I have said, there is the fact that it is planned that six vessels are to take part in the largest peacetime cruise ever to be undertaken by the navy. The *Canso, Sioux* and *Athabaskan* will leave from Esquimalt on the 11th of July, 1950, and the *Magnificent, Huron* and *Micmac* from Halifax on the 23rd of August, 1950. They will first visit Londonderry, where they will engage in extensive antisubmarine and other operations in co-operation with ships and aircraft of the Royal Navy. In this voyage will be involved 195 officers and 1,875 men, and on the *Magnificent* there will be three squadrons of her aircraft. In the course of the voyage the ships will visit several of the North Atlantic treaty nations. The object of the voyage is first to obtain extensive training in an extended sea voyage; second, to familiarize officers and men with the waters and ports of the friendly nations with which we are co-operating; and third, to co-operate with the fleets and ships of several of these nations, including the United Kingdom particularly.

Therefore the exercise will be a marked demonstration of the capacity of the ships and men of the Royal Canadian Navy to operate under realistic conditions involving extensive operations of the type which they would have to undertake if there should be another emergency.

Again I join the leader of the opposition and the Secretary of State for External Affairs in emphasizing that our ships and other forces will never be used for any purpose other than to deter aggression and to defend ourselves and our allies.

If we are to have more ships operational, it can only be done by making more money available, and that can only be done by taking it from the air force, the army, what is allotted for defence research, or from other sources of revenue of the government as a whole. We do not know any other way of doing it. The same thing applies to the other services.

Turning to the air force, our object is to build towards an operational force of over twenty active and auxiliary squadrons. As hon. members know, at the present time we have two squadrons equipped with Vampire Mark III's in the active force, and several in the auxiliary force. As the leader of the opposition quite properly points out, the Vampire Mark III is a very good operational aircraft of a type which came into active operation after the end of the second world war. They are still one of the best aircraft for army co-operation that there are anywhere, but they have not the speed and the armament of some later types. They are still front line service aircraft, however, in the countries which use them.

To supplement and replace them as they are used, we have been working on the production of the CF-100 and the F-86. Each of these is of its type the leading aircraft of any we know of having corresponding characteristics. We were not able to produce them before because they did not exist. We are pressing on with the production of the F-86, and with the development and production of the CF-100, as rapidly as that can be done. The primary role of our air force is to assist in the defence of North America. We believe our air force is adequate for that purpose at the present time, in co-operation with forces of the United States that would be properly employed in that task, particularly in Alaska in the northwest and in Newfoundland in the northeast. We do not suggest it will be adequate for that purpose if it remains at its present size. Therefore we are developing it as fast as we can to make it constantly more operational.

In this connection, as I have announced before, though I do not think I have mentioned it in the house, toward that end we expect to have a squadron of our air force undergoing operational training in the United Kingdom early in 1951, and further squadrons successively engaged in training there and possibly in other North Atlantic treaty nations in rotation for periods of several months at a time. That will be the supplement or complement of the training we provide on this side for North Atlantic treaty nations in aircrew and army. In our case, however, we shall be sending squadrons of officers and men, and probably ground crew as well as aircrew, who are fully trained operationally, and who will be sent over there for further training in larger formations, in working in co-operation with United Kingdom forces and in familiarization with the terrain on the other side of the Atlantic. We expect that as time goes on this will become a very important branch of our air force activity.

Mr. Green: Are these to be fighter squadrons exclusively?

Mr. Claxton: Fighter squadrons at present. We are already having training flights of transport aircraft to the other side whenever the opportunity presents itself, so that quite a good proportion of our transport command not only have wartime experience of flying in all parts of the world, but also a great deal of peacetime experience, and they have shown a really first-class record of transport and performance. As I pointed out before, about the only test in connection with the operational work of an air force is the number of man-hours per month flown in comparison with other forces, and I am glad to say that our record compares very favourably, in proportion to total strength, with those of the United Kingdom and the United States.

With regard to the army the position is perfectly plain. At the present time we have not, and are not aiming immediately to get, any greater forces actually ready to fight at the drop of the hat than the brigade group. That is perfectly evident from everything that has been said and from the state of training of the reserve forces. Should the need for anything additional develop, then again it must be done either at the expense of some other service or by the provision of more money from the treasury of Canada, which in view of the demands of other government departments I suggest can only come out of the pockets of the Canadian people. That brigade group, we estimate—and it is only an estimate on the basis of all the information available—is adequate to deal with the type of attack that might be made on Canada in the foreseeable future, again having regard to what we know of the possible forces of both enemies and friends and how those forces would have to be employed.

Mr. Green: Is the brigade group up to war strength?

Mr. Claxton: As I explained when the house was in committee before—and, perhaps I should not have given the information, but I did—it is at about eighty per cent of strength. We do not expect that it will ever be right up to war strength, because there is a constant flow of men from it, either through discharge or through appointment to other units such as courses, schools and so on; and there is a constant flow in from the courses and schools. In addition to the brigade group there are in training in the courses and schools enough men, if put immediately and directly into the brigade group, to bring it up to strength; but there will never be a time when it is completely up to strength. I do not suppose any unit is ever up to strength in that sense, just as no unit is ever fully trained in the strict sense of the word. Training is continuously going on; there is no moment at which training does not go on.

In addition to the brigade group, as hon. members know we have a very considerable administrative and training staff. The last time these estimates were under consideration I was asked as to the personnel employed at national defence headquarters, and today was about to rise and give the information when the leader of the opposition rose. There the total as at May 31, 1950, was 4,029, broken down into a total of 972 officers, 991 men and 2,066 civilians, including 184 who are members of the defence research board. In addition there are considerable staffs at command and area headquarters. I am trying all the time to reduce the proportion of our forces employed in that way, just as similar efforts are being made in other countries. Their experience is exactly the same as ours. We have tried to compare our figures and our results with those of the United States and the United Kingdom, and we find that we have about the same proportion of civilians to service personnel, a rather smaller proportion of officers, and about the same proportion of what might be called overhead to operational troops. We are never satisfied with the proportion of overhead, and are constantly endeavouring to reduce it. In that connection I might add that the establishments of all types of units in the three services were reviewed over the past two years by teams representing the department, the service concerned, the civil service commission, and the treasury board. That did not result in any considerable reduction, despite the efforts of the agencies of governments concerned. Frequently when we have had reviews of establishments by experts, either from outside the government or from within, it has not resulted in a reduction.

As to the employment of other personnel, I should like to give all the information possible to hon. members; but of course here I am faced with the fact that, as the leader of the opposition has said, the Soviet union surrounds itself and its armed forces with rigid secrecy. In these debates and in statements outside the house I have tried to give information which would not affect the national security but would correspond closely to that given in other countries. I have followed this matter with the closest possible attention, and I wish hon. members could see the kind of debates that take place on defence in the United Kingdom. There they had four days on defence estimates out of twenty-three. This is our fourth day

Over there in their debates detailed information is seldom sought or given. The debate is of a general character, and as a rule the minister concerned speaks only once or twice giving general replies to the questions that are put.

Reference has been made to the committee on estimates in the United Kingdom. A subcommittee is set up to deal with defence estimates, but it has not made a report this year. The House of Commons passed the appropriation with respect to defence without having before it any report from the committee on estimates. As hon. members who are familiar with it know, the committee on estimates deals largely with the form of the estimates and matters of that kind, never with policy; in fact consideration of questions of policy is expressly excluded in the terms of reference of the committee. Now let me tell hon. members in a general way that we have in the administrative and training staff across Canada the personnel necessary to administer and train, first of all the active forces, then the reserve forces, and particularly the officers for the active and reserve forces.

At the moment we have in training for the army alone a total of 3,090, of whom 374 are undergoing general military training; 1,143 are for active force units; 18 are for reserve corps—these figures were given before summer training for the reserve forces had begun—124 are for command contingent officers training corps, and 1,431 for university officers training corps.

We have in the various schools and static units across Canada a total of approximately 16,000 officers and men. This group is necessary because it has the most important job of training the reserve army as well as the active army. Altogether there are 255 active units and 524 reserve units. If the details of the estimates are examined, it will be found there are relatively small amounts of money set down for the reserve army. This is because these items cover only pay and allowances of personnel, transportation of personnel and repairs and maintenance of armouries carried out locally. Those figures do not include any amount for the active forces or for equipment; yet a large part of the role of the active forces is the training and equipping of the reserve units.

I was asked by the leader of the opposition on this and other occasions if we could not give greater details of the defence estimates than we are giving. We shall be very glad indeed to give any details that can possibly be given. As has been intimated on other occasions, the Department of Finance, the treasury officials and the Auditor General have had the form of the estimates under consideration, as has this department. I should like to point out that the details given for the defence estimates on page 168 are much more complete than those given in the year 1947-48, when all the details appeared on something less than a page. At that time we were developing the post-war organization, and it was exceedingly difficult to estimate accurately for the following year. The details for this year will be found at pages 168 to 174 of the estimates. Those details are, I believe, more complete than those given for the last year before the war, 1938-39, subject to one exception, that for 1938-39 details are given concerning the civilian employees involved. There are several pages covering civilian employees in the different categories. It did not seem to the officers of the Department of Finance, treasury, and ourselves that that had any significance or usefulness; therefore the details were not given this year. They are, however, available if any hon. member wants them at any time. Subject only to this qualification, the form of the estimates and details given is much more complete than for the estimates of 1938-39. If we can properly give more information that will be useful, then we shall try to work in that direction.

In this connection I should like to say that I do not know of any information given about defence in the United Kingdom or Australia or any countries of the commonwealth which is more complete than that given in this house. From my examination of the statements, and from my following of the debates in other parliaments, I believe we give much more information than any of those countries. With regard to the United States I believe that if hon. members will follow the matter closely they will see that in the actual debates in congress, as in the proceedings before congressional committees, no more detailed information is given than is given here. What creates the impression of more information being given there is information which comes from sources outside of congress, which frequently has no official authority accredited to it, though it may come from some authoritative sources. I suggest in all sincerity that when we are charged with not giving information comparable to that given in other countries, an examination of the facts will show we give just as much as any other country, except possibly the United States and I believe that even in that case we are in a position to compare favourably.

We have had three days of general discussion, including a fourth day when defence matters came up on a motion to set up a committee; therefore this is really the fifth day upon which we have been dealing with defence. Throughout that period I have been

ready to answer questions, and I shall be only too happy to do so if hon. members will put them.

Mr. Hees: Mr. Chairman, as a member of the active reserve of the armed forces, and having attended Petawawa military camp for the last three years, I agree with everything the minister and the leader of the opposition have said about the excellence of the training which is given the militia branch of our armed forces. It could not be improved upon. But something the minister said I believe is of vital importance to this house, and that is that the funds which this house is willing to vote for defence for the coming year will not make us as well prepared for any eventuality as we should like to be. The minister said that if we desire more preparation for the army, shall we say, we have to rob the air force and the navy; and if we want more preparedness or more equipment for the air force, we have to rob the other branches of the service. What this committee and this country want to hear from the Minister of National Defence is an indication as to how much money is needed to bring the forces of this country into such a position that we shall be able to deal with aggression from outside and take our place as a member of the North Atlantic alliance.

After hostilities have started—if they do—in which we find ourselves involved, if we are not sufficiently prepared either to defend ourselves adequately or to take an honourable position as a member of the north Atlantic alliance, as we have pledged ourselves to do, the minister cannot come to us and say: If you had voted me the funds, I would have been able to see to it that you were properly prepared. He and his department and this government are the people who have the knowledge on which to say what we require, on June 26, 1950, to prepare ourselves for attack from outside or to take our proper place in the north Atlantic alliance. I say to the minister that what this committee wants to hear before this session is over, in order to make these estimates mean anything, is not what it will cost to give us semi-preparedness, but what, in his greater knowledge than is available to the members of this committee and to the people of this country, he thinks are the appropriations that are needed to give us the preparedness that we require today to fulfil our duties, as a party to the North Atlantic pact, in defending this country or in quelling aggression wherever it may take place.

The minister should bring these figures before the committee and let this parliament decide, on behalf of the people of Canada, whether or not the people are willing to foot the bill to give this country the kind of preparedness which the Minister of National Defence has implied should be considerably greater than the estimates now before us provides for the armed forces of Canada. I am asking the minister to let this committee know, today, or certainly before parliament closes, what funds are necessary to give us the preparedness which, as of June 26, 1950, in the light of the latest developments in international affairs, this country is entitled to with respect to its armed forces.

Mr. Claxton: I am sure, Mr. Chairman, that I voice the views of all members on this side of the chamber in welcoming the hon. member who has just taken his seat and in congratulating him most heartily on having made his first speech. As we all know, he had a good record of active service with the forces during the war, and also with the reserve forces. I am sure that his contribution to the work of the house in this and other fields will be extremely valuable.

With regard to his question, I may say that it is a fair and proper one, but, in view of the present state of the world, it is one which cannot be answered with a single figure. I can say that if another $200 million were voted by parliament for defence, only a small part of it would go into personnel, and a large part of it would go into equipment. In the first instance that equipment would be an acceleration of our aircraft production program; in the second place, an acceleration of our shipbuilding program, and in the third place, the commencement of a program of replacement of some of the armour and armaments of the army. But possibly more useful than spending the whole of any such sum of money on our own equipment would be to spend it on equipment of other North Atlantic treaty countries. If he asked me how much it would cost us to ensure our safety at this time, then I can tell him that the figure would be large; because, as everyone knows, the deficiencies in equipment of the North Atlantic treaty countries are great indeed. If we had a large sum of money added to our estimates at this time we would undoubtedly give most serious consideration to making the best possible defence use of that money by building equipment and giving it or transferring it, on terms of one kind or another, to our allies in the North Atlantic treaty. That having been done, we would be better prepared than we are today in the place where we should be better prepared than we are today.

With regard to our own defence, we believe that, given conditions as they are at the present time, we have enough forces to deal with any situation that might arise here. The only other point, then, is this: Is the amount of $425 million that we are spending on defence enough to enable us to see that we carry our fair share of the load under the North Atlantic treaty? It is the belief of this government that it is enough, and that it is a proper proportion. In proportion to population, on a per capita basis, it is more than any other country of the British commonwealth is spending, except the United Kingdom; and on a per capita basis I believe it is more than any other country under the North Atlantic treaty is spending, except the United States and the United Kingdom.

On other bases of comparison, it is more than a good many of the countries concerned are spending, either as a proportion of national product or as a percentage of national budget, although some of the countries of Europe are spending more. But when we include with the $425 million some of the other items that might properly be allocated to defence under the accounting systems in force in one or other countries—such as, for example, married quarters built for defence personnel by Central Mortgage and Housing Corporation; some part of the cost of civil aviation and navigational aids; some part of the cost of the R.C.M.P., and one or two other similar matters—the figure can be built up to something over $500 million. The other expenditures to which I have referred are not made in the Department of National Defence; they are made by other departments. The only amount we can spend this year is $425 million. But having regard to our resources, our needs, our capacities and our responsibilities, we believe that on any basis the amount we are spending today represents a fair contribution towards collective security.

Mr. Green: There is one question I wish the Minister of National Defence would deal with today, namely, whether he believes the events which are happening now in Korea call for any change in the plans of the Department of National Defence of Canada. From his remarks thus far this morning I take it that he believes these events do not require any change in Canada's policy, and with all my heart I hope that he is correct. But it does seem to me that the potentialities of this unprovoked attack, obviously instigated by the U.S.S.R., are very serious, and that they may well be more serious for Canada than for any other country in the world.

I should like to know whether the minister believes that Canada should take any action, in view of this step taken today, which seems to make the cold war a very hot one. I heard the announcement on the radio this morning at nine o'clock that the United States commander in Alaska had alerted his fighting squadrons there. The report went on to say that this was a routine order, and it may have been; but surely Canada cannot afford to take chances.

I should like to know whether Canada is in a position to put fighter squadrons into action in the northwestern part of our territory on short notice; whether we are in a position to protect our airfields in northwestern Canada, should an attempt be made to seize them; and whether we are in a position to put a coastal patrol over the Pacific coast, to protect that coast against hostile submarines.

In his remarks in the last few minutes the minister emphasized time and again Canada's obligations under the North Atlantic treaty. He said that if we were spending more money for defence it would probably best be spent in providing equipment to other nations who have signed the North Atlantic treaty. Mr. Chairman, the North Atlantic treaty does not apply in any way whatever to this trouble in Korea. I read now from the preamble of the treaty. Referring to the nations who signed the treaty it says:

> They seek to promote stability and well-being in the north Atlantic area.
>
> They are resolved to unite their efforts for collective defence and for the preservation of peace and security.
>
> They therefore agree to this North Atlantic treaty.

In article 5 we find that there is no obligation whatever upon any nation party to this treaty to come to the aid of another nation if the attack comes in the Pacific. The article reads:

> The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all.

But if trouble comes, if this is the beginning of a hot war that we are having today, then an attack will certainly be made across from Siberia into Alaska and into northwestern Canada, and Edmonton, for example, which is the most exposed city, would almost certainly be bombed without warning if the hostile planes could not be stopped. I am afraid that the minister is placing too much emphasis on the North Atlantic treaty and on the north Atlantic where we have the Russians stopped, and is paying no attention, or very little, to this grave development across the Pacific. I would ask him to let us

know exactly what he thinks should be done, or whether he thinks nothing should be done, about this attack on southern Korea.

One further thing I would ask him to explain is what co-operation there is today between Canada and Australia and New Zealand with regard to defence questions. We have co-operation, and I think it is to be praised, with the United Kingdom and the United States; but our sister nations of Australia and New Zealand are not parties to the North Atlantic treaty. They were not allowed to join because they are not in the north Atlantic area. If trouble comes in the Pacific we shall certainly need their help, and I believe there should be the closest military co-operation now with both of these nations. Both of their peoples are fighting peoples. They have stood beside us in two world wars, and there are no finer fighters on earth. Canada should be working in the closest co-operation with Australia and New Zealand. I should like to know whether any attempt is being made by Canada to bring about that co-operation. I am confident that Australia and New Zealand would be only too glad on their part to co-operate. They have been pressing for a Pacific defence pact similar to the North Atlantic treaty. So far their pleas have gone unheeded, and today the Secretary of State for External Affairs said that Canada did not feel that the development in Korea made it any more necessary than before for her to take the lead in advocating a Pacific defence pact. That was a great disappointment to me, because I think the situation is such that we need a Pacific defence pact, and we need it quickly, primarily because Canada is the nation that is going to suffer most if this becomes a world war. We are going to be attacked over our northwestern frontier, and probably the northeastern as well, and certainly our shores on the Pacific are apt to be under attack from submarines.

We are facing a very grave situation. I hope this afternoon the Minister of National Defence will give us the assurance that he realizes the danger to Canada.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Claxton: When the committee rose the hon. member for Vancouver-Quadra had raised two points with which I should deal. He expressed the hope that there would be close co-operation with the defence forces of Australia and New Zealand. Canada has a liaison officer in Australia. I visited both countries in 1948, met their defence ministers and several of their chiefs of staff and visited several of their main defence establishments. Only three weeks ago the minister for air of Australia was here. A considerable number of their officers have visited us, and so far as I know there is no way in which co-operation has been sought by Australia or New Zealand which we have not followed up completely. I do not know of any way in which there could be more useful co-operation at this time.

The hon. member spoke about the possible effect of the developments in Korea on our defence plans. As he said, this is a grave development, and we shall watch it with the closest attention. In consequence of this development some changes will have to be made. For example, if the situation continues to look serious, we certainly could not continue with plans for the voyage of the ships to European waters to take place at the time I mentioned. That kind of thing would have to be carefully watched. I do not think it would be helpful to the situation if I said anything more at this time. As I say, it is being carefully watched, and if any developments should give rise to the need for action or change, that action will certainly be taken.

The hon. member mentioned other matters which it seemed to me were questions of external policy rather than of defence. Since the Secretary of State for External Affairs is here, it occurred to me that he might deal with them.

Mr. Pearson: Mr. Chairman, the matters brought up by the hon. member for Vancouver-Quadra were really concerned with external policy and might have been dealt with more effectively on the estimates of the Department of External Affairs, more particularly his reference to a Pacific defence pact, about which I had expected to speak when my estimates were under consideration.

I should not like any hon. member to infer, from what I said this morning in answer to the hon. member's question about developments in Korea and the effect of that on a Pacific defence pact, that we in the government are not just as much concerned about the security of the Pacific as we are about the security of any other area in the world. As the hon. member said, if there is trouble in the Pacific, Canada will be affected just as quickly as if there were trouble in the Atlantic. But the form of collective security which might be appropriate for the north Atlantic region might not be appropriate in the present circumstances for another region, particularly the Pacific region. I do not want to go into this now in any great detail, because no doubt it will come up later. The hon. member will of

course realize that the arrangements which were worked out in connection with the North Atlantic pact took a good deal of time and preparation and careful negotiation among all the governments. All the governments concerned with the arrangement were unanimous as to how the matter should be dealt with. We have not that situation in the Pacific. It is true that some countries in the Pacific would welcome the same kind of regional defensive system—

Mr. Green: Which ones, may I ask?

Mr. Pearson: The hon. member mentioned Australia and New Zealand this morning. I am aware that statements have been made by representatives of the government of Australia which would indicate support for some kind of Pacific defensive alliance or Pacific pact. The position in New Zealand is not yet quite as definite, and even in the case of Australia I would point out it has been indicated that a general Pacific defensive pact of the type we have in the north Atlantic might not be the most suitable at this time for that area, because there are certain countries which have already indicated that they would not be able to participate at this time in that kind of general, if I may call it that, regional collective system. The United States has taken that position; India has taken that position; the United Kingdom has taken that position.

The most recent statement I have seen which was made by the minister for external affairs in Australia seemed to visualize a narrower form of defensive system, where certain states in the Pacific agree among themselves that attack on one would be attack on the others. But then you get in the position of excluding from that arrangement certain other states which might wish to come into the system. So the situation is not nearly as clear-cut as it is in the case of the countries in the north Atlantic area.

I should like to repeat however that this does not mean that we are not aware of the importance of collective defensive measures in the Pacific just as we are in the north Atlantic. We are also quite aware that developments in the Pacific at this time centring around Korea might make this a most realistic matter for consideration.

Mr. Low: Mr. Chairman, I was not able to be here before one o'clock, because there was a committee meeting which I had to attend, but I am advised that in replying to questions asked by the hon. member for Broadview the minister stated, or rather left the impression with the committee, that he required something in the neighbourhood of $200 million more to make it possible for him to build adequate defences for Canada. I am not sure that that is the exact implication of his words, but at any rate it was something of the kind. The impression was left by the minister's words that parliament had refused to grant the minister sufficient funds so that he could be prepared.

If those things are true, I should like to ask the minister to tell this committee just who it is that has refused to give him enough funds so that he can adequately prepare the defences of this country. I should like him also to tell hon. members whether or not he has asked parliament for sufficient funds to prepare the defences of this country. I may be misinformed, but if I am not, there is just one thing I should like to have clear. If parliament has ever been asked for an additional $200 million, or any other sum, for the purpose of preparing adequate defences for our country at this time, then I can assure him it is not the Social Credit group that has refused it. I think it should be made known whether it is treasury board or any group in this house that has done so. What we of the Social Credit group are trying to keep in our minds so far as the defence of Canada is concerned is not so much what it will cost us to defend ourselves at the moment, but what it will cost us if we do not prepare our defences as they ought to be prepared.

I think we all recall what happened the last time that hostilities broke out, how ill-prepared we were, and how difficult it had been to jar loose the government of the day to spend more money on defence preparations, or anything else for that matter in order to move things along even in the economic field. Having in mind the present situation in Korea and southeastern Asia, where anything could develop quickly, I am wondering whether the minister and his department are going to be strangled by our being so niggardly as to refuse them what they require to make certain that we are not caught in the same position as that in which we found ourselves in 1939.

I think the minister and the government know the position that we take with regard to the provision of sufficient funds at any time to take care of our needs. We have always been mindful of the taxpayers, just as treasury board has been, but we have looked at the business of finance quite differently. I want the minister to know that even now, with all the money he is preparing to spend for defence, we have not yet begun to realize anything like our potential of production. If we have not, all that is required is the complete stimulation of development in the field of production to get what he needs. The Social Credit group urge the

minister to ask parliament for whatever he needs, and we will support his requests in so far as he will make known to us what his needs are. Of course we want to be shown exactly what the needs are, and we want as much information as we can get; but we are not going to choke him off in any way.

Furthermore we want the minister to know that we think the country is capable of producing all that is required in order to protect us from being placed in jeopardy at any time. Let us not fail at all times to keep in mind the cost to us and to humanity if we are not adequately prepared when and if difficulties arise. I think we have to keep that in our minds at this time. I should like the minister to make it clear whether or not the information I got as to this morning's proceedings was correct.

Mr. Claxton: I appreciate the attitude of the hon. member for Peace River. As he has opened the way, I may tell him at once that I did not make any such suggestion. What I said was that if we had an extra $200 million for defence, in my view a large part of that amount would be spent on equipment rather than personnel. In other words the deficiencies that we and other countries under the North Atlantic treaty have are in the first place in the field of equipment, and second, in personnel. But all of us have deficiencies, and we are working to overcome them. If we were to have a war this year, $425 million would be a small amount compared with what we would be seeking from parliament. We would probably be seeking an unlimited blank cheque, if we were certain to be engaged in a war, in order to put the whole economy to work in the quickest possible time for the purpose of devoting as much as possible of our total effort to war. In the second world war that resulted, as we know, in our being able to devote more than fifty per cent of our total economy to wartime effort. That was a large proportion in any country. If we did that today we would cripple our country. We would be doing exactly what the communists want us to do. Consequently it is necessary for us to strike a balance between what might be needed, what might be desirable, and what we think it is proper and useful to do. Defence expenditure must be regarded as in the nature of an insurance premium. We may not be paying enough, or we may be paying too much, all depending on the calculation of the risk.

Mr. Low: Does the minister think we are spending enough?

Mr. Claxton: Having regard to the situation as I know it, and from what I have been told, I feel we are spending as much on defence at this time as we can properly spend out of our national income. In consequence of developments resulting from what took place on Saturday, I might have to come back and say that the situation has changed, but up to that date it is the view of the government that this is the right amount for us to spend at this time. It is being spent in the best way we know how. It is being spent to build up progressively forces which will be the best means of defending Canada immediately and of contributing to the defence of our allies should an emergency arise.

Mr. Adamson: I should like to refer to the F-86 fighter now being purchased. I do so in order that the minister may have an opportunity to say something on the whole question of jet aircraft, which is one of such vital importance to this country. There has been and is today considerable controversy about the F-86, not only here but also in the United States where it was designed. I understand that even as late as last week a further modification was made in the design of this interceptor. I bring that to the minister's attention so that he may have an opportunity to make a statement about this aircraft.

I also want to say a word about the Canadian jet aircraft industry. Not only has it done a magnificent job for Canada, but in many ways it leads the world. The British magazine *Flight* is my authority for saying that the CF-100 and the C-102 are the leading aircraft of their types in the world. The CF-100, a fighter bomber, will shortly fly the Atlantic. It has tremendous speed and hitting power. I understand that the C-102, a jet transport, will shortly fly the Pacific, and is the leader in its class in the world. I also understand that the design, and certainly the construction, of this aircraft are largely of Canadian origin.

I should like to quote what was said before the United States senate investigating committee concerning aircraft, and particularly air transports. I am quoting Mr. Robert Ramspek, executive vice-president of the air transport association, who had this to say concerning the performance of Canadian and British jet passenger aircraft:

. . . Mr. Ramspek declared that the U.S. could not even come close to matching their development. He said that as far as he knew, there were not even any plans for a transport which might compete with the Avro Canada jet lines. He further warned that American domestic air lines would have to buy foreign jet transports . . .

Not only this witness, but Admiral DeWitt Ramsey also said the same thing with regard to jet air transport in the United States. It seems to me we are basing our first line air support on a United States designed plane, the F-86, which as far as one can gather has had numerous growing pains and has been recently modified. On the other hand the British Meteor, the new Vampire, and the Hawker Interceptor have recently demonstrated tremendous superiority over all known or published jet interceptor planes and particularly, I understand, either the Meteor or Vampire recently broke all world speed records for aircraft of any type.

I bring this to the attention of the minister and the committee because if there is one thing in which Canada is leading the U.S.A. at the present time it is in the design and construction of jet aircraft. I was amazed when I saw the number of firms co-operating with Avro, De Havilland and Vickers in the production of the new types of aircraft, and the wonderful job being done by Canadian industry throughout, not only from the manufacturing point of view but with respect to design. So I wonder if the minister would care to make a statement on the decision of the department to concentrate on this interceptor.

Mr. Claxton: I appreciate and agree with what the hon. member for York West said about the aircraft industry and its contributions in this field. With respect to the relative merits of the F-86 and other aircraft, I endeavoured to deal with this question on June 8, at page 3377 of *Hansard*, where I referred to similar charges and the fact that I had just returned from watching a demonstration which included the F-86 at Eglin field before the president, the defence secretary and the chiefs of staff of the United States. At that time I read to the committee captions from a book of photographs we were given on that occasion which referred to the F-86 in these words:

> The North American F-86 "Sabre," first line operational fighter of USAF tactical fighter groups, is paced by the North American B-45 "Tornado," jet light bomber. The "Sabre," fully armed, holds the world's speed record of 670 plus.

These photographs were issued by the United States air force, and are in accordance with the facts as disclosed to us. We know of no aircraft in its field with characteristics comparable to the F-86, and which is at the same stage of development and production.

Mr. Harkness: This morning the minister had something to say about the form of the estimates, which I have been asking about for the last couple of years. He said that in the details at the back of the book there was considerably more information than had appeared in 1947 and 1948. That is quite correct, but the question I asked previously was whether the estimates for this department would be put back in the form in which they appeared before the war, the form in which the estimates of nearly all other departments appear, with separate votes for each major item. The fact that more detailed information is given today than two years ago does not meet my criticism as to the form in which these estimates are presented. We have one estimate here which takes in all the defence expenditures except those in connection with defence research, pensions and a few things along that line. In theory, at any rate, we should be in a position here to move that any item, whether for the army, the navy or the air force, which we thought was too little or too large, should be increased or reduced. As these estimates are now presented, however, that cannot be done. I believe it would make for a better discussion of these matters if the votes were split up as they were before the war, and as other departments present their estimates, in order that parliament would be able to exercise its right to cut down any particular item which might be considered too large. Last year the minister told me that consideration would be given to putting these items back more or less into their pre-war form, and I wonder if he has anything further to say on that point now.

Mr. Claxton: I have in my hand a copy of the estimates for the year ending March 31, 1939; and from a close examination I would say that in the primaries, where we have now two items covering the defence forces generally and defence research, there were twelve or thirteen items in 1938-1939. In the details which follow at page 168 this year, and at page 131 in 1938-39, the information given is quite comparable.

There are great advantages, from the point of view of defence planning during this period, in having the notes grouped. I have already explained the reasons for this to the committee, and I do not want to go over it again. However, certainly we shall look into the matter once more, as we are constantly looking into these things. Perhaps with more experience since the war and the possibility of more accurate forecasts, also given a more static condition, if that is brought about, we can divide the vote as the hon. member suggests. I am told the tendency in other places is to do as we have done, and I can put the reason for that in a word. At the present time we have a defence program which costs the people of Canada some $425 million. As I explained, this is the amount,

recommended by the government and approved by paliament, of the insurance premium we will pay for defence. Defence is a matter in which it is difficult to allocate contracts and secure deliveries in peacetime exactly at the time you want them. There are constant modifications of equipment, and twenty-eight per cent of the total expenditure is on equipment. Then a very large proportion goes into construction, and it is difficult indeed to complete planned construction by March 31 of any particular year. On that account, if we were held down precisely to votes which could only be encumbered for contracts to be completed within the year without the possibility of transferring from item to item, then we would find ourselves with a considerable part of our defence program handicapped and curtailed, because we know we cannot complete it this year but we do not know exactly what part we will not be able to complete. We would find, instead of getting on with our defence as we are doing, we would have completed about 90 per cent of the job by the end of the year if we are held to the detailed items.

I am told that other countries have had the same experience, and we are watching them with great interest. I feel certain it could be possible to give greater details about certain things, but I would not be sure it would be in the interests of the country, or that it would be exactly what parliament wants, if the primaries were divided to any greater extent.

Mr. Harkness: Mr. Chairman, I realize it probably makes defence planning easier if all defence expenditure is in one vote, but for that reason it makes parliament's control of defence expenditures less complete than it would otherwise be. I doubt whether in peacetime this principle of having everything lumped in one vote is good. Just as an example, it might be the wish of parliament to spend 50 per cent of the money voted on the navy, and split the rest up between the army and the air force. With the whole sum being in one vote, the government can spend practically nothing on the navy, and spend the whole thing on the air force and army. I am not suggesting that would be done, but it is a possibility. It seems to me that if this vote were split into three for the various services it would give parliament a better control of expenditures.

Mr. Fulton: I should like to ask the minister a question or two with regard to the details shown on page 168. First, I should like to make some comments about the breakdown. In the detail which we are given under departmental administration for the navy, army and air force, there is a substantial item, in most cases running into several million dollars, for sundries. In the detail those sundries are said to include printing and stationery, postage, and miscellaneous items. According to the public accounts for 1948-49, the items making up these sundries were given in some detail, and none of them amount to as much as $2 million or $3 million. Will the minister say whether it would be possible, and whether he will agree in future years, to give some break-down of the sundry item instead of just indicating some of the things which go into it? He could say how much the department estimates the expenditure on printing and stationery will be, and how much for postage. Then we would know that. When they do get down to some of the small things—one time I believe in one department we had laundry mentioned—they could more properly be described as sundries, and not set out in detail. I do not think it is proper accounting to ask us to approve an item as we have under departmental administration of $783,000 for sundries. Can the minister say whether that will be done in another year?

Mr. Claxton: I would certainly be glad to discuss that with the officers; that is one of the heads we believe capable of further break-down. There are others which I may as well mention, such as maintenance and construction of properties; different types of equipment, and so on. We believe that we could give further details now with some accuracy and without too much curtailment. I can give a break-down of sundries if the hon. member wants it.

Mr. Fulton: Will the minister do it for this item of departmental administration?

Mr. Claxton: Yes. They are given in the public accounts, as the hon. member knows. There is printing, stationery and office equipment, $126,000; communication services, $50,000; book of remembrance, $17,000; transportation, $3,000; government officers guarantee fund, $8,600; legal fees and patent applications $4,000; miscellaneous expenses, $5,000; miscellaneous expenses, $2,000; training equipment and films, $20,000; then, unallotted, $338,277 that is the sundries; directorate of public relations miscellaneous expenses, $5,000; inspection services by contract to meet urgent requirements, $200,000; contingencies, $5,000. The total is $783,827.

Mr. Fulton: I appreciate that to do that under every heading would perhaps expand the volume of the estimates, but I think that should be done in future years. I was glad to hear the minister say—

Mr. Claxton: We shall certainly pick out the major items if we can.

Mr. Fulton: There is an amount asked for civil servants, salaries and wages. In other departments it is possible to get a break-down of the personnel administering the department. I am not asking for anything like a war establishment of the personnel in the army, navy, and so on, but for departmental administration. It seems to me there would not be any prejudice to security if the various personnel engaged at headquarters were broken down so we could see how many there are and what is paid. Could that be done in future years?

Mr. Claxton: That information was given on June 9 at page 3462 of *Hansard*, in reply to a question by the member for Nanaimo. As you can see it occupies the best part of one column in very fine print. There is no difficulty about giving that information, but we have approximately 23,000 civilians in the department.

Mr. Fulton: At headquarters?

Mr. Claxton: No, all the information for headquarters has been given. If it were given for all the permanent and temporary civil servants, properly so-called, it would run into a great number of pages. I do not know that it would mean anything to hon. members, but if it is felt it would be desirable to give it for Ottawa national defence headquarters, I am sure we could give consideration to that.

Mr. Fulton: The next thing I should like to know is whether it would be possible to set up the estimates in such a way that we could see how many military personnel are engaged at headquarters, and their pay and allowances, for the army, navy and air force personnel. Could it be included in departmental administration? As I understand, at present the pay and allowances for the army, including those persons at headquarters, are included under "pay and allowances, army". The same is true for the navy and the air force.

Mr. Claxton: I appreciate the point. As the hon. member says, all pay and allowances for the officers and men of the three services are found in pay and allowances for the three services, and not under administration. The number of those involved at headquarters I gave this morning. Because of the way in which the books are kept, it would not be possible to pick out the pay and allowances of these officers without looking at the accounts for each separate one at some given date. That could be done, but it would cost a great deal to get the information. I do not know what use it would be, but it would be possible. The books are not kept in such a way as to permit that to be done without a special operation.

Mr. Higgins: I have one specific point to raise with the minister concerning the runways at Gander airport. I spoke to the minister about the necessity of lengthening them before, and he informed me, as far as I remember, that they were quite adequate. I understand that the minister proposes to visit Newfoundland shortly and that he will likely land at Gander airport. If he does so, I should like him to make a little investigation himself and to do a little bit of questioning.

The information I have at the present time is that all last spring the Boeings either had to overfly or had to land at Goose. The airways have now been temporarily repaired. Sections have been taken up and they have been filled in and resurfaced; but the runways at Gander look like a mosaic patchwork. The Boeing aircraft are unable to use these runways at any time at any temperature over 40 degrees. That means that if they land and the temperature is not right they have to wait till night or wait until the temperature goes down. The necessity for lengthening the runways is a most important consideration. Even in the past two weeks Boeing aircraft, after many tries, and not being able to get off the ground, finally had to unload fifteen hundred pounds of cargo.

While the department administering Gander is of course the Department of Trade and Commerce, nevertheless I feel that the minister must be vitally interested in this matter, especially in view of the significance of recent events which may make the use of Gander airport by large bombers a matter of urgency. I think it is important that the minister should take that situation into consideration because if those facts are correct —and from the information I have received, I have no reason to believe otherwise—the airport at present cannot be used by large planes.

Mr. Claxton: I shall be glad indeed to do that. Following the hon. member's previous question, I myself made inquiries and found that Gander is at present adequate to handle all Canadian aircraft. But as he says, I hope to visit the airport after the adjournment. One of the purposes of the visit is to see the progress being made on the defence installation and the reserve army units. I am sure the Minister of Transport will not object to my viewing Gander, and I shall be glad to report to him on my return.

Mr. Fulton: Is the minister able, amongst other things in the detail here, to pick out for us the amount which he is asking for, under these sundries under navy, army and air force, specifically for recruiting and to give us the comparative figures of expenditure for 1949-50?

Mr. Claxton: Recruiting expense under sundries?

Mr. Fulton: Yes.

Mr. Claxton: The amount provided for in the present estimates is $500,000. The amount spent in 1949-50 is approximately $1 million.

Mr. Fulton: Is that $500,000 for all three services?

Mr. Claxton: For all three services.

Mr. Fulton: In each sundry item under the main services you have recruiting expenses?

Mr. Claxton: Yes. I can give them.

Mr. Fulton: Is there a break-down there?

Mr. Claxton: That is right. I can give them to you. There is $100,000 for the navy, $200,000 for the army.

Mr. Fulton: That would be $200,000 for the air force, then?

Mr. Claxton: Yes.

Mr. Harkness: Several times in the past, particularly last year, the minister has made the statement that the cost per man in the services is $2,600. I have never been quite clear as to what is meant by that statement. Does that cost cover his pay and allowances, food, uniform and housing only, or does it also cover the weapons with which he is equipped, and the overhead? Exactly what is the meaning of that statement?

Mr. Claxton: It includes pay, allowances, pension provision, food, medical services and hospitalization, personal transportation, and some other minor items. Generally it includes everything that would be equivalent to his pay or salary if he were a civilian. It includes nothing for accommodation and nothing for weapons.

Mr. Harkness: It does not include housing?

Mr. Claxton: No.

Mr. Harkness: When we were discussing this item about two weeks ago, the minister gave us a break-down of the civilian personnel at defence headquarters, as he indicated a few minutes ago, and stated that the increase in this item for general administration was due to an increase in inspection services to quite an extent. There are two items particularly as to which I could not understand why, because of increased inspection services, there would be an increase. One is stores and equipment, where the increase is from $13,500 to $136,900; and the other is the item of maintenance, repairs and operating expenses of property, which is increased from $10,000 to $97,500. There is an increase of about ten times in each case in those two items. I wonder if the minister would explain why that is?

Mr. Claxton: May I ask the hon. member again for the reference?

Mr. Harkness: It is on page 168, under details of services, departmental administration. The third item down is maintenance, repairs and operating expenses of property; and the fourth item down is stores and equipment.

Mr. Claxton: The increase from $10,000 to $97,500 for inspection services is largely accounted for because the inspection services have taken over from the defence research board the proving ground in the Valcartier area. This item therefore is sought to cover that additional expenditure for inspection services. There will be an over-all decrease in the cost of defence because, through this transfer of functions from the defence research board to the inspection service, there will be a reduction in personnel. With regard to stores and equipment, the increase from $13,500 to $136,900 is almost entirely due to equipment: laboratory, gauges, chemicals, proof material and replacement of vehicles for inspection services, owing to their increased activities, which are due to the fact that we are buying more equipment.

Mr. Harkness: You have another item there of travel, transportation, freight and express. I should like to know how much of that travel item is entirely for the civilian employees of defence headquarters. None of the expenses of officers of the three services who are employed at headquarters and who travel is included in this item. That will be included in a separate item?

Mr. Claxton: That is correct.

Mr. Harkness: What is the amount for travel of the civilian employees?

Mr. Claxton: That is all civilian. The amount of $242,250 for 1950-51 is travel, et cetera, for the inspection services.

Mr. Harkness: The item says: "Travel, transportation, freight and express." What is the amount that is actually travel?

Mr. Claxton: The amount for travel is $237,500 for that year, and for freight and express $4,750.

Mr. Harkness: It is practically all travel?

Mr. Claxton: That is right.

Mr. Fulton: Will the minister give us the main headings of the increase in sundries? He gave me a break-down of what the sundries are, but they are increased from $186,000 to $783,000. Is that also accounted for by this inspection service business? If so, what are the main headings under which the expenses are increased?

Mr. Claxton: The increase was almost entirely due to increased inspection. The unallotted amount of $338,227 is almost entirely provided for inspection services, and then there is an item of $205,000 expressly for inspection services, let by outside contracts.

Mr. Hees: I think everybody in this country has come to realize the possibility, although we would hate to think that it ever could be a probability, of an attack on this country by land forces of an aggressor. At the present time, so far as I can see, we have a brigade group which could repel such an attack or make an attempt to repel such an attack. But I do not feel that a force of that size would have any appreciable effect on the kind of force that would be thrown against this country if such an eventuality developed. It seems to me, with my limited knowledge, that it would take a force of at least the size of an armoured division to do any sort of a job in repelling such an attack.

I do not think anybody would argue that it would take less than six months from a standing start, with no interference, to prepare an armoured division both from the point of view of equipping it and getting the men into the ranks and training them before an armoured division could go into action. Will the minister tell the committee what the plans of the Department of National Defence are for getting a force into the field in less time than six months to repel the possible invasion of this country if at any time an enemy should suddenly strike?

Mr. Claxton: This has been gone into a good many times. We do not estimate that there is any possibility of any attack on Canada except by an airborne force; and we believe that under existing conditions such a force could be dealt with, if it got to Canada, by an airborne brigade.

I do not know whether hon. members know how many aircraft it takes to make an airlift of an airborne brigade. It runs into hundreds. That being so our calculation is—and it is a calculation based on an estimate of risks, as all war planning must be—that the risk we have to meet is not that of an all-out attack on us but something that will be launched with the view of panicking our people to deploy more of their forces here than they should. We believe if we start doing that we will be doing just what the only potential enemy wants before he ever lifts his finger to attack us.

Exercise Sweetbriar will, I believe, be found to show that the forces we have, if our estimate of the situation is right, are the right kind of forces to deal with such an attack.

Mr. Harkness: I notice the first item under the navy is "civilian salaries and wages." The amount is down about $700,000 from last year, which I was rather surprised to see, because most of the items for salaries and wages in the various departments are up this year, to a large extent owing to the increased rates of pay that most civil servants are getting. I was also surprised to find this amount is down because one of the recommendations of the Mainguy report was that more of the administrative work such as the civilian employees would be engaged at should be done by civilian employees. In other words, one of the recommendations of the report was to increase the number of civilian employees, and thus release more naval officers for duties at sea, and so forth. In view of these two circumstances, namely, that pay is up in most departments, and that there was this recommendation that there should be an increase in the number of civilian employees and a decrease in the number of naval officers and men at headquarters, can the minister explain the situation?

Mr. Claxton: The decrease is due to the employment of a total of 6,331 civilians in all classes as against a total of 6,636 in 1949. Therefore it is due to a definite drop in the number of personnel involved, namely, 305. We have not found it possible to do much in the way of putting civilians in service positions at headquarters yet. It is a difficult operation, and I think probably the navy will be the service in which it is least easy to do it because of the particularly technical nature of its work. The decrease is due in part to economy in administration. I should say also that a very big proportion of those employed in the navy are prevailing rate employees in the dockyards, and that number fluctuates from month to month with the amount of work. As of the 31st day of March, when these figures were taken, the number employed there was 2,306 in Halifax, 1,777 at Esquimalt and lesser numbers at other places.

Mr. Fulton: I should like to ask the minister a question with regard to the properties for the three services which I understand —and I am proceeding on this basis—do not include houses being provided as accommodation but would probably include merely barracks and such other defence buildings, storage depots, and so on. The items under the navy, army and air force read:

Acquisition, construction, purchase, maintenance, repairs, rentals and operating expenses of properties.

There are many millions in each case. Can the minister tell us, firstly, what is the inventory value of the defence properties exclusive of houses which we now have, and how much is spent under these three headings of acquisition, purchase, maintenance and so forth? In other words, how many new properties are we developing this year, how many are we purchasing this year, and how much are we spending for the maintenance of existing ones?

Mr. Claxton: We have no inventory of the value of properties in the Department of National Defence. A great many of them have been in the department from confederation when they formed part of the property of the crown. For example, in Quebec we have the old citadel and numerous other properties. With regard to the expenditures on properties outside of those made by Central Mortgage and Housing Corporation we have under "acquisition, construction and purchase of properties" the following:

Royal Canadian Navy Reserve	$ 160,000
Navy General	5,183,000
Navy total	$ 5,343,000
Canadian Army Reserve Force and C.O.T.C.	1,913,000
Canadian Army General	10,402,000
Northwest Territory and Yukon Radio System	160,275
Northwest Highway System	650,000
Army Total	13,125,275
R.C.A.F. Reserve	$ 100,000
R.C.A.F. General	13,945,279
Northwest Staging Route	800,000
R.C.A.F. Total	14,845,279
Grand Total	$33,313,554

For maintenance and repair of properties the total is $16,601,905 and rental of buildings and properties, $960,432.

Mr. Fulton: Has a decision yet been reached for what I am sure will be a small item in this large total to provide for a drill hall for the Rocky Mountain Rangers with headquarters at Salmon Arm, which drill hall was burned down about six months?

Mr. Claxton: That is one of the places receiving consideration, but I regret that there is no express provision here for that building. As the hon. member will see, we have provided $1,913,000 for the construction of reserve accommodation. How much of that is proceeded with and where will depend on when the plans can be made and the contracts let. We do propose this year to begin a modest program of reserve armoury accommodation at the places which seem to need it most.

Mr. Harkness: Under navy there is an item of $2,304,900 for travel, transportation, freight and express. I presume that would be entirely travel by land and would not include travel in ships of the navy?

Mr. Claxton: That is right. It might include some marine transport for naval personnel proceeding to England to take courses. If there are no navy ships available we must pay their passage by sea.

Mr. Harkness: How much of that would be for travel, leaving out transportation, freight and express?

Mr. Claxton: The total for travel and transportation is $1,189,900; freight and express, $415,000.

Mr. Harkness: Would that include the cost involved in men going on leave?

Mr. Claxton: Yes. For example, the largest single item is for an estimated more than 2,000 personnel to be transferred from coast to coast at a cost of $101 each. There is over $200,000 right there.

Mr. Harkness: I was wondering whether it would include the cost of men going on leave because it seems to be quite a large item for travel by land by naval personnel.

Mr. Claxton: That is right, but it is due largely to the fact that our naval establishments are on the east and west coasts of the country. Whenever a man is transferred from one to the other he must go right across the country and there is no way to send him except by air or land.

Mr. Harkness: I notice that a large part of the increase in the vote for the Royal Canadian Naval Reserve is made up by the pay and allowances item, from which I would assume that it is expected there will be a considerable increase in the number of the naval reserve. If that is so I am glad it is taking place. Can the minister tell us the estimated increase?

Mr. Claxton: This vote is based on an estimated strength of 4,500 which would be averaged throughout the year. It represents an increase from the present figure of 3,619 at May 31 of this year, so there is an increase of something under 900.

Mr. Harkness: Is it anticipated that new stations will be set up in the coming year?

Mr. Claxton: No, we are intending to go through this year with the 21 that we have, that is the 20 we had before the entry of Newfoundland plus H.M.C.S. Cabot which was established upon the entry of Newfoundland into confederation.

Mr. Harkness: Could the minister tell us what buildings were acquired or constructed during the last year, and in particular if a building for recreational purposes and a laundry building were constructed at Esquimalt?

Mr. Claxton: Neither building has been constructed. It is planned to complete the construction this year of a new permanent barracks at Halifax and also to do a considerable amount of construction at Dartmouth. There is no express provision for Esquimalt as yet. I have seen the list of priorities and have discussed the situation with the chief of the naval service and I assure my hon. friend that the laundry building, the new barracks and other buildings at Esquimalt are high on the list.

Mr. Fulton: The minister told me a few moments ago that there was no inventory of the defence buildings. Do I understand from that that when a building is constructed or otherwise acquired it is not carried on the defence department's books? It seems to me that such a building should be reflected in the assets of the dominion.

Mr. Claxton: The hon. member's assumption is quite correct. There is no capital entry in respect of defence properties.

Mr. Fulton: Why not?

Mr. Claxton: It is not government policy with regard to any department that I know of. I am afraid that is really a matter for the Minister of Finance, but that is my information.

Mr. Harkness: What proportion of the $9,900,000 in the naval vote is for that purpose? You read the figures in a hurry, and it was rather difficult to catch them.

Mr. Claxton: $5,343,000.

Mr. Harkness: I take it that is all for construction on the west coast.

Mr. Claxton: No. The largest single item is at Dartmouth, Nova Scotia.

Mr. Harkness: I meant the east coast. The construction of these other buildings recommended at Esquimalt will have to wait until this other construction is finished? Is that the situation?

Mr. Claxton: Until it is started. We feel that the needs for this other construction are greater than on the west coast.

Mr. Harkness: Under the next item which deals with personnel supplies and services, food supplies, and so forth, can the minister tell us whether the deficiencies in personnel equipment, clothing and so forth, which were outlined in the Mainguy report, have now been made up, and what the situation is in regard to these items?

Mr. Claxton: The deficiencies are being made good. I have not had any shortage of issue clothing or equipment for new entries reported to me since six months ago.

Mr. Harkness: I take it that the deficiencies have been made good. You said they were being made good, and if you have not had any reports of deficiencies for six months then I presume they have been made good and there are none.

Mr. Claxton: We are proposing to spend a total of $1,816,400 on clothing and personnel equipment. Looking at the details of that amount, it is almost entirely for clothing, and the amounts would indicate to me that they are for normal supplies rather than large amounts to make good deficiencies.

Mr. Harkness: Can the minister tell us how much of the amount of $5,700,000 is for food, and what it costs per day at the present time to feed a man in the navy?

Mr. Claxton: The food for all three services is now an identical ration, and I believe it to be the best ever issued to forces anywhere. The cost varies with each contract according to the amount tendered. At the present time it is running about $1 per man per day.

Mr. Harkness: As to the next item, stores, equipment and so forth, it is up from $27 million to $38 million. Can the minister tell us what is the cause of the bulk of that increase? Is it because of new ships which are to be completed and paid for this year or is it mainly for other items of equipment?

Mr. Claxton: Yes, it is. The largest amount is for signal and wireless stores. The additional amount for that purpose is about $3,500,000.

Mr. Harkness: I could not hear the minister.

Mr. Claxton: The additional amount sought for signal and wireless stores is approximately $3,500,000. There is an amount of $5 million for armament stores, which is largely rearmament of existing vessels and similar changes. For acquisition and addition of ships we propose to spend $9,775,000 against

$7,150,000 voted for 1949-50. There is also a slight increase for naval and aircraft stores.

Mr. Harkness: How many new ships coming under this amount do you expect to have come into service this year?

Mr. Claxton: We have contracts let or arranged for nine ships including an Arctic transport icebreaker, three antisubmarine vessels, four minesweepers and a gate vessel. None of the ships will be completed this year with the possible exception of the gate vessel, which is the smallest of the nine. Next year will see the completion of some of the minesweepers. The completion of the others will depend on the progress made by the yards, and also on the most difficult problem of what modifications will be made.

Mr. Harkness: Some of this money is for payments on these nine ships?

Mr. Claxton: Yes, the $9 million is all for payment in respect of the year 1950-51. The total program involves over $35 million.

Mr. Fulton: Under each service there is included in the sundries item an amount for communication services. Does that mean what other departments call telegraph, telegrams and telephones, or is that a special communications service of the defence department?

Mr. Claxton: It is telegraph and telegrams.

Mr. Fulton: Does the department maintain its own communication system operated by the Royal Canadian Signals?

Mr. Claxton: Yes, indeed. We have an interservice signal system with a network covering pretty well all of Canada. I think the service extends for a total of about 35,000 miles. It is also in communication with ships at sea and with other countries of the commonwealth. It is a completely integrated triservice system without overlapping, the navy army and air force each contributing some part to it. On occasions such as the Fraser valley floods, as the hon. member will recall, the Winnipeg floods and washouts in the maritimes, it has handled all commercial traffic when the commercial signal services could not carry on.

Mr. Fulton: Is the cost of that charged under this communication heading?

Mr. Claxton: No. It comes out of the general vote.

Mr. Fulton: Under each appropriate service?

Mr. Claxton: Yes.

[Mr. Claxton.]

Mr. Fulton: Is that used for the ordinary requirements of the defence department or is it kept especially for emergencies?

Mr. Claxton: It is used from day to day for the ordinary requirements of the defence department, and also for some messages for other government departments.

Mr. Fulton: What I really wanted to ask, and will ask now, is whether it is used to the maximum for the ordinary routine business of the department so as to keep the charges made by commercial companies down to a minimum.

Mr. Claxton: Yes, indeed.

Mr. Fraser: Where is the steel for these nine ships being purchased?

Mr. Claxton: In Canada.

Mr. Fraser: All in Canada?

Mr. Claxton: There will be some special sizes, shapes and pieces that it will be more economical to get from the United Kingdom, but the great majority comes from Canada.

Mr. Fraser: It was reported in the press some time ago that some of it was coming from Germany. Is that so?

Mr. Claxton: No.

Mr. Fraser: I am glad to hear that.

Mr. Harkness: Could the minister tell us the situation with respect to our naval aircraft at the present time? Have we secured any of the newer types, or are we still operating with the types that were current at the end of the war? Where are our replacements coming from? Are we making any in Canada, or are they coming from Great Britain or the United States?

Mr. Claxton: We are still using aircraft which were either in existence or coming into production at the end of the second world war. They are Sea Fires, Sea Furies and Avengers. We do not make any in Canada, but those we now use are modified and repaired in this country. We do not plan on making any in Canada at the present time; and whether or not we will replace those now in use will depend upon the policy adopted with respect to the naval air arm and also upon developments in other countries. Only now are the United Kingdom and the United States commencing the production of post-war types of naval aircraft. We believe the situation will see a good deal of development in the next two or three years, and we believe the best course to follow for the present at least is to carry on with the equipment we have.

Mr. Harkness: Under the item of fuel costs for ships, aircraft and mechanical equipment

I see the estimated expenditure is down some $700,000. This would seem to indicate that it is proposed to spend less time at sea this year than last year. This morning the minister indicated that a naval exercise is to be held which will take squadrons from both the east and west coasts over to Great Britain, and that those were to be the largest naval manoeuvres in which our vessels have taken part since the war. Having that in mind one would think the time spent at sea would be increased this year, but this reduction of $700,000 in fuel costs would appear to indicate the contrary. Would the minister explain that?

Mr. Claxton: This apparent reduction is entirely due to an overestimate last year. When those estimates were prepared fuel oil was approximately $4 per barrel. For the current year we are estimating on the basis of fuel oil at approximately $2.80 per barrel, which more than accounts for the decrease shown.

Mr. Harkness: Then when we come to the army we find that civil salaries and wages are down, as was the case in the navy. Is that for the same reason, that they have been reducing the staff and, wherever possible, replacing officers at desk jobs with civilian personnel? If so, to what extent has that been done?

Mr. Claxton: This reduction is due to an overestimate in 1949-50. We found that by economizing we were able to get along with five hundred fewer civilians than the number for which provision had been made. Here again we are trying to reduce the number of officers at headquarters, and there has been a very substantial reduction this year.

Mr. Fulton: I am pleased to see a reduction in the amount under travel, transportation, freight and express. Was that because of an overestimate last year, or is it anticipated that there will be a curtailment in these expenditures this year?

Mr. Claxton: The largest single factor contributing to the reduction is a decrease in the cost of posting personnel, amounting to $1,500,800. That is due to the fact that as we went through the post-war organization period we got more and more personnel to the right places at the right time. Also we are tending to increase the period of posting, to a minimum of two years.

Mr. Fulton: Would this item include the transportation costs in connection with such things as Exercise Sweetbriar and other schemes or exercises, or does this only cover such things as leave, postings, duty journeys and so on?

Mr. Claxton: This would include the portion of the transportation in connection with Exercise Sweetbriar not handled by the motor vehicles of the army itself or by the R.C.A.F. We had to transport a considerable number of personnel either by train or by commercial aircraft, and that cost would be included here.

Mr. Fulton: Then would the minister give us the actual expenditures under this heading in 1949-50?

Mr. Claxton: For travel and transportation for the active force the expenditure in 1949-50 was $2,687,820.87. The cost of freight and express was $1,993,099.57.

Mr. Harkness: Under the item dealing with the Canadian army reserve force, would the minister tell us the percentage of strength of the reserve force at the present time? That would give us a general idea of the strength of the reserve force in relation to what it would be if it were up to full strength. I know of one battery, for instance, which is at about 75 to 80 per cent of strength. I know of another one which is only about 10 to 15 per cent of strength, and I should like to know the general percentage for all units in the reserve.

Mr. Claxton: It is rather more than 50 per cent.

Mr. Harkness: Then could the minister tell us how many reserve army personnel went to camp last year? Often the paper strength of these reserve units is not a very good indication of the real strength or effectiveness. Quite often a considerable number of people appear on only two or three parades during the year, but they are carried on the paper strength and receive pay for the parades they attend. If you can get the number of people who have gone to camp it is a much better indication of the training a reserve unit has completed. When the minister gives that information perhaps he will also tell us what percentage of the reserve unit strength that amounts to. I think it might be helpful if we had that information as well.

Mr. Claxton: 10,002 went to camp in 1939.

Mr. Harkness: What is the official strength? I think the minister gave that earlier?

Mr. Claxton: At present it is about 44,000.

Mr. Harkness: That is a little less than 25 per cent?

Mr. Claxton: Yes.

Mr. Harkness: During consideration of these estimates a few weeks ago, in speaking of the reserve units the minister said they now had all the equipment that they required, and all that they could handle. In some

cases that may be true, but in other cases I do not know that it is true. I should like to cite a specific example to the minister and invite his comments. I refer to a particular heavy ack-ack regiment of which I know. This regiment has one radar set, and its establishment calls for eight radar sets. The set which the regiment has is a Mark III, with a range of about 60,000 yards. This is the type of set that was used in the early part of the war, and which is now obsolete. This same regiment has four guns, and its establishment of course is 24.

The regiment consists of three batteries, and each battery is supposed to have eight guns. Apparently each battery has one gun, and there is one extra you might say. It seems to me that a distribution of armament of that nature is not sufficient to carry on proper training. These heavy ack-ack guns fire as a troop of four, particularly if they are being used for ground shooting which is one of their roles. It would seem to me that four guns for a regiment of that sort are not sufficient. It is not as good a distribution of guns as we had before the war in the reserve artillery batteries. At that time the one battery of which I have knowledge had four guns. This makes one wonder whether the provision of equipment to reserve force units, particularly those of a technical nature, is sufficient to carry out training.

In addition to commenting on that particular situation can the minister tell us—perhaps for security reasons he does not wish to do so—how many up-to-date radar sets for use with these heavy ack-ack guns we have in Canada; in other words, whether we have up-to-date radar sets which could be distributed to these heavy ack-ack regiments if required. If we have any of these up-to-date sets, why is it that at least one per regiment has not been distributed so that the personnel can get training on them?

Mr. Claxton: It happens, Mr. Chairman, that I know the number of heavy ack-ack guns that we have in Canada, and I shall be glad to give that information to the hon. member privately. We believe that we have possibly more than we require, and we are considering making some available to other countries. The reasons for not issuing more than one to some units—

Mr. Harkness: Is the minister speaking of guns or radar sets now?

Mr. Claxton: Guns. I assume the hon. gentleman is stating the facts correctly, and the reason is that there frequently is not the personnel or space to use more than one. There are large numbers in mobilization reserve, and if any unit can use any gun or any equipment that we have, then that equipment is under the control of the local G.O.C. or area commander who can issue the equipment without any difficulty at all. No case has been brought to my attention of any lack of such equipment.

With regard to our radar equipment on such guns being modern the hon. gentleman is substantially correct. There is more modern equipment, although what we have works well. It would cost $180,000 to apply modern equipment to each one of those guns, and we have thought that that amount of money could be better spent at present, in view of the possible developments in anti-aircraft work which might make that expenditure undesirable. It is a question of balancing whether we should do that now or do something else. We have decided to postpone that expenditure and do something else which we regard as more urgent. As hon. members know, the largest part of our expenditure on new equipment is for new ships for the navy, and aircraft for the air force.

Mr. Harkness: If I might just follow that up, the minister says there is plenty of this equipment. All the unit has to do is to apply for it. I happen to know that the unit did apply, but did not get it. I recall particularly a personal experience I had along that line about two years ago when I was still commanding a reserve regiment. I had an extremely difficult time getting S. P. guns. I knew the S. P. guns were here; nevertheless we were only issued them on the basis of one per battery which was almost useless for any sort of tactical training. It was only useful from the point of view of learning gun control and things along that line. You need at least two S. P. guns working together to give any training at all to the members of a troop or battery as to how those guns would be employed. I can assure the minister that I had extreme difficulty, in fact my second in command was turned down in regard to getting these guns. I had to take it up personally with N.D.H.Q. before we secured an increase in the allotment. I know from personal experience that frequently units cannot get an increase of equipment which they consider necessary. I would suggest that this situation should be looked into, and the reserve units should be canvassed by means of a questionnaire to commanding officers to ascertain what they think their needs are.

Of course the facilities to take care of the equipment must be considered. I know there is quite a bit in what the minister says. In some places there are no facilities for garaging or otherwise looking after and

repairing certain equipment. In a considerable number of places those facilities do exist, and I think some units could do with more equipment than they have been issued, particularly weapons.

Mr. Claxton: I would be very glad to follow up the suggestion the hon. member has made. It happens that in the autumn of 1949, at the beginning of the training period, either the chief of the general staff, one of the senior officers at defence headquarters or myself attended meetings of all the reserve associations of the army reserve forces. One of the questions we put to them was, "Are you satisfied as regards equipment?" No one suggested that he was not. I think I have read all the resolutions of the twelve associations, and I do not believe that a single one of them deals with the problem of equipment. I have been assured there is no shortage for the reserve forces, but I shall be glad to follow up the hon. member's suggestion.

Mr. Harkness: I am not suggesting there is any shortage. I believe this equipment is here, particularly the items I mentioned, the heavy ack-ack guns and the S. P. guns. We have them here, but they are not out in the hands of the different units that could use them.

Mr. Fulton: While we are on the subject of the reserve army, I should like to follow that up with the minister for a moment or two. I want to speak about the number of men who go to camp, because it is very difficult for a reserve unit to do any tactical training, which is perhaps the most important kind of training, when it only has a small number of men at camp.

I was speaking to a member of a reserve unit just now, and he tells me that in some cases they have to make up composite companies for schemes with a platoon from here and a platoon from there. That is not satisfactory training at all. He told me the difficulty is that in most cases the men are willing to go but it is not convenient for their employer to let them go at the time the camp is being held. I know this matter has been discussed previously and I do not want to go into it again in any detail. I should like the minister to say, if he can, what progress is being made in encouraging employers to make it possible for their employees to go to camp, and to compare the percentage which went to camp this year of the total strength of the reserve army, which worked out to 22 per cent, with the percentage which went to camp last year and to say whether there is any improvement in this matter or not.

Mr. Claxton: With regard to the efforts made, to persuade employers to allow reserve personnel to go to camp, I think we have had great success. Appeals to employers: not only have these been made through their associations like the Canadian Chamber of Commerce, the Canadian Manufacturers Association and so on, with which I have corresponded directly, which have been most co-operative, some of which have passed resolutions urging their member organizations to do this. Also for the third consecutive year I have addressed a letter personally to all leading employers in Canada asking them to support the reserve army. This year we sent out some 3,300 such letters and there has been only one unfavourable reply. The support is very good indeed. However, many concerns such as, for example, the steel companies which have round-the-clock operations, find it difficult to make the adjustments necessary to permit men to go to camps who want to go. The figure of 10,000 represents a substantial increase over last year. It meets to a considerable degree our objective in that it consists largely of officers and N.C.O.'s. The figure for last year was 7,092.

Mr. Fulton: What was the percentage of the strength that figure represented?

Mr. Claxton: That was against 38,000. This year it is 10,000 out of 44,000. It seems to be about the same or a little better. The type of training at these camps, as I think everyone recognizes, is different in character to what it was before the war. The administration is done entirely by the camp administrative staff. The men arrive and spend their full time at camp in intensive training in much the same way as they would do if they were attending a corps school. I think those who saw the demonstration at Petawawa last week can appreciate that it would form part of a good training. Also, where it is possible, units are encouraged to drive up with their own equipment, and some of them have driven up with their own guns. We plan to fly a considerable part of reserve personnel to camp so as to save their time. I must say the response from the men themselves is most encouraging. I go to as many camps as I can, and I find that they are enthusiastic. They have to be, in order to give up their own time, as many of them do. But they are doing a great service and we are doing everything possible to encourage them.

Mr. George: I am sorry that I missed part of this discussion, owing to the fact that I had to attend a meeting of another committee. From what I have heard since I came in, however, I am led to believe that there is a

great misunderstanding or lack of apprehension of what the reserve army is doing. First of all, we have had no trouble in getting personnel to camp. There may be two or three men who cannot get away because of their occupation—as the minister says, in such companies as steel companies, foundries, et cetera. I know of the odd man who cannot get away. But on the whole we have 100 per cent co-operation from employers.

With regard to training, as most of you know by now, I am second in command of the 8th Princess Louise New Brunswick Hussars. We have been spending a terrific amount of money for the last two years. Two years ago we started to add up for ourselves what we were getting for this money, and we found that we had a great number of men partially trained but that we had nobody fully qualified. That situation applies not only to our own unit but to many others. So in order to show some results, we thought we should qualify tradesmen. An armoured unit is composed probably of more tradesmen than is any other type of unit. I am subject to correction there, but in any event we have a high percentage of tradesmen. To go with week-end training and local training, we ran several courses of ten days' duration to finish up the qualification of tradesmen. We now have 117 tradesmen qualified. Those were qualified by an active force trade test board; they are now fully qualified and are drawing trades pay along with their pay and allowances, the same as the active forces.

With regard to summer camp, I think the object is to exercise these tradesmen who are now qualified and those who have partly qualified. In other words, our whole object is to produce a regiment fully qualified and able to take the field. The criticism was made a moment ago that composite companies had to be made up in order to exercise tactically at camp. That is not the purpose of camp, as I understand it. As the minister said, it is more a corps school. I would hate to see this change. We can exercise companies locally but at summer camps we have the best instructors and the best facilities and I think it would be a great mistake not to exercise our men in the trades in which they are qualified.

Mr. Harkness: In connection with this matter of getting men to go to camp, it so happens that I had a conversation with a reserve force officer in Ottawa here yesterday, and whom I met by chance. He made the complaint that it was difficult; in quite a number of cases, personnel in his unit who worked in the civil service either were not able to get away or were discouraged from going because it was going to make it awkward in their respective offices. According to his story it was intimated to some of these people: All right, they were entitled to go to camp under the rules, but if they went to camp, when it came time for certain promotions which might be in the offing, as far as they were concerned they might find themselves in difficulty. If that sort of thing prevails to any extent in the civil service—and I think it applies only to a limited number of cases—then it is a thing which the Department of National Defence and the government should make sure is eradicated so that there will be no question about people being able to go to camp because of, we will say—and perhaps this might be the right word—intimidation within their department of the civil service. I do not know whether anything definite can be done by the minister.

Mr. Claxton: What the hon. member has described is directly contrary to the policy of the federal government as expressed by the governor in council.

Mr. Harkness: Yes, I know it is.

Mr. Claxton: Instructions have been given to all government departments accordingly. If such a case of intimidation or implied intimidation ever occurs, then I think it would be the duty of every hon. member to—and I am fairly sure any hon. member who had the evidence would—mention it to me or ventilate it here. It has never been brought to my attention. If any such case does occur, I hope hon. members will bring it to my attention.

Mr. Harkness: As to the acquisition and construction of buildings and properties for the army, of the $22 million which is to be spent this year, how much is for housing?

Mr. Claxton: It would take a few minutes to pick the items out of the lists so as to total the amount for housing, but the total would not be very much. We are not doing defence housing at other than the most isolated localities. C.M.H.C. is doing all the ordinary housing for the defence department. But included in this year's estimates would be a number of relatively small items to finish up existing contracts and to provide for housing at isolated centres.

Mr. Harkness: One other question about the cadet service: I see the estimate for that is down. I hope it does not mean that the cadet services are being curtailed.

Mr. Claxton: No, there is no decrease in activities. The number of cadets provided for, the amount of training and the amount of payments of grants and for instructors are on the same basis. The decrease is explained

largely by the decrease in the amount provided for travel and transportation where there was an overestimate of $128,884 last year.

Mr. Fulton: Can the minister say to what extent there is repair by civilian contracts of vehicles, weapons and technical stores under this heading of stores and equipment? I was wondering why R.C.E.M.E. cannot do it all.

Mr. Claxton: For the reason that they have more work than they can handle now. We have some 22,000 motor vehicles in the armed forces, and a good many of them are getting well on in years, so that they involve a good deal of repair work. At all the main centres R.C.E.M.E. has more than it can handle and work is allotted to civilian contractors.

Mr. Harkness: Under sundries I see "Education of dependent children." I presume that is for children in isolated areas, or something of that sort. Can the minister tell us to what extent the department has provided educational facilities for children?

Mr. Claxton: Where there are no educational facilities available such as at Shilo, Borden, Barriefield, Rivers, Chilliwack, Churchill and Whitehorse we have provided some sixteen primary schools to look after 2,200 children of service personnel, and that is the only way we can do it. We regard it as a good and proper way of looking after a natural need.

Mr. Macdonnell (Greenwood): When the minister says there are no educational facilities at Barriefield, does he realize that that is practically in the shadow of Queen's university in Kingston?

Mr. Claxton: Also I might say the Royal Military College, the National Defence College and the Staff College, but they are not very well equipped to deal with children from five to eleven or twelve years of age.

Mr. Harkness: If I remember aright I think the defence department put up a school in Calgary right opposite Currie barracks, as a matter of fact, after some considerable discussion with the city as to whether the city should build the school on adjacent property or whether the army should operate there. I thought that because of the fact that this was probably the general policy the army would operate their own schools wherever there were a considerable number of servicemen. I wonder whether from what the minister says I am to take it that it is not the policy, and that it is only in isolated areas that the schools are being built? Can the minister tell us why it was done in Calgary?

Mr. Claxton: My recollection is that when we started the school there it was outside the municipal limits. Speaking from recollection again we could not persuade the municipality to extend its service there, so we had to do it. Subsequently arrangements were made whereby the work was undertaken by the municipality on our making a payment to the city of Calgary of $400. I am speaking from memory now, and I am subject to correction.

Mr. Knight: Is the school in Churchill in the military camp or on the townsite?

Mr. Claxton: At the military camp.

Mr. Fulton: Can the minister give us an explanation of the item at the bottom of page 173:

> Less—estimated amount required for commitments nominally to fall due during the fiscal year.

I cannot quite understand it as it is set out in the estimates. I am not asking for a breakdown. Can the minister explain what it means?

Mr. Claxton: It is the amount we collected for aerial service from other government departments.

Mr. Fulton: I am sorry; I have the wrong page. I meant page 172.

Mr. Claxton: I beg your pardon. That is explained by reference to the main vote at page 31. The commitment authority is $438,178,000 as shown in item 202, and that corresponds with the total of $438,178,000 as shown in the details on page 172. Then there is deducted from that the amount of the current year's commitment authority of $53,245,696, corresponding to that amount shown on page 31, reducing the amount to the cash appropriation of $384,932,304, which is the figure shown for item 202.

Mr. Fulton: I agree with the minister that the figure $384 million odd is shown, but I do not understand what the reason is why this $53 million odd is deducted. In other words I do not understand the explanation given at the bottom of page 172, and there is no explanation of the figure given at page 31. Why is this $53 million deducted?

Mr. Claxton: The amount of the actual cash appropriation for national defence not covered by other items is $384,932,304. In order to enable the department to make commitments in respect of the current year notwithstanding section 29 of the Consolidated Revenue and Audit Act, provision for this additional amount of $53,245,696 is made.

Mr. Harkness: I remember a vote in some other department, I think resources and development, in connection with roads in the Yukon. Can the minister state whether this

northwest highway, or the Alaska highway as it is usually known, is completely under control of the army and whether the army is wholly responsible for its maintenance?

Mr. Claxton: It is entirely under the army.

Mr. Harkness: The item for aerial photographic survey is reduced from $709,033 to $533,380, which would indicate that the number of squadrons used in this work is being reduced. I have always felt that these aerial photographic squadrons did an extremely useful work, not only during the war but since the war as well. They have mapped a large part of the country and I wonder why their strength is being reduced. I think this section of the air force has a greater practical use in time of peace than almost any other component and it would be a pity if it were cut down.

Mr. Claxton: I would quite agree with my hon. friend, if there were the same need as existed before. We have been able to accelerate the program over the last three years so that in each year we have been able to photograph almost a million square miles. The number of man-years which it is estimated will be needed in 1950-51 is 206 as against 305 provided for 1949-50.

Mr. Harkness: What does "man-year" mean?

Mr. Claxton: The average number of men that would be employed for a full year if they were employed, over that period. The work is gradually being completed and I hope we will see another sharp reduction next year because the need will no longer exist to the same extent. In other words, we have largely covered Canada by aerial photography and have turned over the photographs to the Department of Mines and Technical Surveys for mapping. As we reduce the amount of aerial photography required we plan to convert some of the squadrons engaged in that work to other operational work such as aerial reconnaissance and bombing.

Mr. Drew: Mr. Chairman, before this item passes I want to point out that the questions that have been asked have been in a general way based upon the necessity of seeking to obtain information which is not present in the details. I can only express my regret, with the changes that have taken place in our relationships with other Atlantic powers and with the events that have occurred so recently, that there should be no indication that it is the intention of the Department of National Defence to adjust its affairs in accordance with these extremely important changes.

[Mr. Harkness.]

At the moment there is nothing that anyone can do to obtain information which is essential except to ask the type of general questions which have been pressed for. In spite of the fact that we have gained nothing in that respect during the present session I can only express the hope that when the house meets next year we will then have the estimates presented in a way which can be understood and that those estimates, to whatever extent is practical, will follow the same pattern as the estimates of other departments so that they can be examined in the same measure of detail. When I say that it is hoped they can be examined next year, that is always subject to the hope that this condition which has become so serious may not demand a much earlier consideration by the house of the problem we are discussing.

Item agreed to.

Defence forces—

203. Defence research and development, subject to allocation by the treasury board, and to authorize total commitments for this purpose of $27,983,161 including authority notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $24,925,361 and commitments for future years of $3,057,800 against which commitments it is estimated that actual expenditure in 1950-51 will not exceed $23,925,361.

Mr. Herridge: I do not know whether the minister has seen the article, but in the last issue of the Montreal *Standard* there is a news report under a byline of Ottawa. There is an article by Gerald Waring, entitled "White Elephant in the Arctic." In brief this article points out that in 1945 certain arrangements were made between Canada and the United States for the installation of long-range aerial navigation stations in the north and that something over $50 million has been spent on those stations. It is stated that these stations have been found to be entirely unsuccessful and that the whole thing has had to be abandoned. Canada is said to have paid a fairly large proportion of the $50 million which was expended.

Secondly, the article states that a great portion of the supplies were flown in by air at great expense during the first year, but then during the second year they were taken in by water transport at much less expense. The suggestion is that all the equipment should have been taken in by water. The article is said to be based on certain defence forces information.

I should like the minister to inform the committee if there is any basis for what is stated in this article and why, if great saving could have been made by the use of water transport, this equipment was flown in by air. Surely if this article is correct I think

it can be argued that this house should be told this sort of thing directly and not have to get information from the press with regard to such large expenditure which apparently was a mistake on the part of those directly concerned with defence research.

Mr. Claxton: I have seen the article and also I am generally familiar with the situation. What happened was that in 1945 and 1946 the United States and Canadian authorities felt that it would be desirable to establish a chain of loran stations in the far north. This method of obtaining navigational fixes has proved successful in places farther south. The initiative in this regard was not taken by the Canadian government, but we co-operated. This method of obtaining a fix had never been tried in the far north.

It involved the measurement of signals sent out thousands of miles in millionths of seconds. By sending out a message to an aircraft from a tower and measuring the time of the "echo" from that tower with the time of an echo from two or three other stations it may be possible by measurements running into the millionths of seconds to determine the exact position of the aircraft. As I said, this has been successful in other parts and there was no way of telling whether it would be successful in the far north until it was tried there.

It was tried, and while there was a moderate degree of success it was not considered sufficiently reliable all the time to justify its continued operation at very considerable cost in peacetime. Conditions might change at some future date or there might be developments in the art itself, to justify its resumption. At the time it was considered very urgent that these stations should be established. A considerable amount of work was done by airlift. That airlift was largely supplied by the United States. We did not have the aircraft to do the whole job. A relatively small proportion of the expenditure was due to our using Canadian aircraft. My information is that it would have been possible to supply them by ship but this would have meant a year's delay which was not considered desirable.

The decision to discontinue the use of these stations was made only recently. As a matter of fact I sent to the United States authorities, in accordance with our arrangements, a draft of a statement to be made jointly by us announcing the discontinuance when, through some source or other, the statement appeared in the *Standard* to which the hon. member has referred.

The cost to Canada of the whole operation was nothing like the figure suggested in the article. It is not possible to segregate the cost because air force equipment and personnel were used from their general resources. A large percentage of the material, transportation and equipment was supplied by the United States.

In terms of defence the cost was not a very great sum, and there was no way of arriving at the decision not to do it unless we tried it. It proved unsuccessful because of ionospheric and other conditions which make radio communication exceedingly difficult. In the whole area running north from James bay through Hudson bay and spreading out to the northwest particularly, radio communication is probably more difficult than anywhere else in the world owing to electrical disturbances and other causes which we are investigating all the time. Without trying the experiment, it was not possible to ascertain that it would not work. The effort was made, was partially successful, but not sufficiently so to justify its continued use in peacetime.

Item agreed to.

Pensions and other benefits—

214. Government's contribution to the permanent forces pension fund, $10,799,600.

Mr. Noseworthy: Mr. Chairman, I should like the minister to give a short explanation of this item, particularly as to the differentiation made in the payment of pensions to retired officers with more than ten but less than twenty years' service. I have had considerable correspondence from officers in that category living in my constituency. I understand a considerable number of officers in that class were retired after 1945. The feeling among many of them is that those who were retired were men who secured their commissions during the war while most of those who were retained in the forces were in the professional class, that is, graduates of military college. Can the minister tell us how many with more than ten but less than twenty years service have been retired since 1945 and the numbers of professional and non-professional soldiers? I should like to know how many were men who received their commissions in the field and how many were professional soldiers, graduates of military college.

My information is that those with more than ten but less than twenty years' service are broken down into three categories. First, there are those who were discharged as medically unfit and who receive full pension. Second, there are those who have reached the prescribed age for their rank. There is some uncertainty as to whether the date of retirement is the date the bill was passed, the date they were discharged or the date the

bill is to be proclaimed. The third group consists of those who have not reached the prescribed age and who are subject to a reduction of one-third in their pension.

A number of cases have come to my attention of men with seventeen, eighteen or nineteen years' service who have had to take a one-third reduction in their pension. There is also some question as to why the date of June, 1944, was accepted. These men are men who were in the permanent forces before June, 1944. There appears to be considerable discrimination between those who were in the permanent forces before that time and those who have been taken into the forces since then. The former will lose one-third of the pension, while those who have joined since June, 1944, will probably be entitled to full pension upon retirement. Will the minister give us a statement in explanation of that situation?

Mr. Claxton: I am familiar with the case the hon. member has raised, but the figures have not been kept in such a way as would enable me to answer his question. To do so it would be necessary to ascertain the number of officers who have gone on pension since 1945 and put them into the categories that he mentioned. That would be quite a job, but I am sure we can secure the information for the hon. member. We should be able to do so within the next couple of days.

Mr. Noseworthy: Is my analysis of the situation correct so far as the three groups are concerned?

Mr. Claxton: As to the groups it is correct, but with regard to the rates obtained by the various groups and the reasons there are three, some supplementary information will have to be given.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

423. Departmental administration, $482,875.

Mr. Macdonnell (Greenwood): We all know in a general way that the minister's department covers a lot of territory. He has a great many things under his charge. Without leaving it to a series of questions as we go along, is the minister prepared to give us a broad view of the responsibilities under his charge? For example, I have here an alphabetical list of the activities of the department. It begins with the agricultural commodities branch and runs on through the economic research and development branch, and so on. Without going into detail, is the minister prepared, as a preliminary to the estimates and by way of assistance to us in understanding the whole situation, to use this alphabetical list and outline the duties of his department? As a matter of fact the list is to be found in the departmental telephone directory in alphabetical form and in a more comprehensive way than I have ever seen it anywhere else. It will take some time, but if the minister will see fit to go through the list it will give members of the committee a better idea of the scope of the work of the department, the minister's responsibilities, and the relation of the various activities that are going on. If I may expand for a moment, there is a reference to the industrial development branch. Then a page or two later there is an industry and merchandising division; and of course I realize that merchandising is a thing by itself.

I have explained my point, and I wonder if the minister would do as I suggest, going right through and giving us a short account of the activities of each branch of his department. Let me illustrate what I mean. Under "Economic research and development" we have several headings. The first is information, which I presume is a general item under the direction of Mr. Skelton. Then we come to trade policy; then to organization and services; the economic research division, divided into three subdivisions which include area studies, industry studies and private and public investment. Then there is the economic forecasting division; the industrial development division, and so on. I hope I have made my point clear, so perhaps the minister will give us the story of the department, following down the line and explaining to us what each branch does.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall endeavour to explain the department as my hon. friend suggests. The annual report for 1949 has just been tabled, and I shall follow the headings as there set out. If my hon. friend has a copy of that report he may be able better to follow me.

Mr. Macdonnell (Greenwood): I should have, perhaps, but I have not.

Mr. Howe: First is the administration branch, which is similar to the administration branch of every department. It includes the deputy minister and two assistant deputies, and the accounting and administrative branches common to most departments; the personnel division; the central pay office; the staff training and welfare section; the records division, and various activities which come under the heading of general administration.

Mr. Macdonnell (Greenwood): Would the minister prefer that I withhold any questions until he is through?

Mr. Howe: I would be glad to have my hon. friend ask any questions he wishes.

Mr. Macdonnell (Greenwood): The minister just mentioned two or three headings, including a welfare division. Do I understand he is passing over that without comment? I should like to hear something about it.

Mr. Howe: It is the staff training and welfare division. Examinations are held for various services, for instance the trade commissioner service. Certain applicants are accepted; then they are given a course of training which takes them to various parts of Canada under the guidance of experienced trade commissioners. They are given a thorough training in the work they will undertake when they go to foreign fields.

Mr. Macdonnell (Greenwood): What is the significance of the word "welfare"?

Mr. Howe: The division also looks after the welfare, for example, of our trade commissioners in all parts of the world. When you have commissioners in the Belgian Congo, or South Africa, or in the Far East, the welfare of the staff becomes rather a problem. A branch of the training and welfare division keeps records of postings and how commissioners are getting on.

Then there is the trade commissioner service itself. We have trade commissioner offices in forty-six countries throughout the world, and that number is increased as world conditions permit. They are the eyes and ears of Canadian business. They report back trade possibilities in their territories for Canadian commodities, report on trade conditions, and so on. In that connection there is a weekly publication called *Foreign Trade* which has a wide circulation in Canadian industry and which summarizes the reports of trade commissioners from all localities. It mentions openings for Canadian exports that have been drawn to the attention of the department by the trade commissioners, and in general provides up-to-date information to those interested in the export of Canadian products.

Then we have the commodities branch which deals with metals, timber and raw materials generally, except grains, which are handled in a separate branch. This branch is divided into an export division and an import division. The work of the export division, of course, is obvious. It works with the trade commissioners in finding openings, and with Canadian industry in calling the attention of exporters to those openings abroad for Canadian products. The import division works with our trade commissioners to find markets in Canada for commodities offered abroad that are required by the Canadian economy. This branch was opened at the end of the war and has proved extraordinarily useful in helping to balance our trade, particularly with the sterling area and European countries. It has been useful to Canadian manufacturers and Canadian industry generally by finding sources of materials in short supply in this country.

Mr. Macdonnell (Greenwood): To what extent are these services availed of? Could the minister give us the percentage of importers, whether importers for sale or industrialists who need materials, who act through the Department of Trade and Commerce, and what percentage act individually?

Mr. Howe: It is impossible to say with any degree of accuracy, but I do know that Canadian industry is very much in the habit of dealing with both divisions. It is seldom that an officer of a representative industry comes to Ottawa without calling on both divisions. Both are very active, and are considered very useful.

Then the commodities section deals with such things as surplus foods such as potatoes, canned salmon, and so on; anything in the way of food that requires to be marketed abroad. It also deals with chemicals, machinery, metals, mineral products, wood and wood products, textiles and leather, and general products.

Mr. Macdonnell (Greenwood): Would that apply to exporters to the United States? I am thinking now of wood products, for example.

Mr. Howe: Oh, certainly; it refers to exports to all countries.

Mr. Macdonnell (Greenwood): The newsprint industry, for instance, would be acting under its own steam, would it not?

Mr. Howe: Very likely; nevertheless the newsprint industry keeps in very close touch with the department. Seldom a day goes by that some problem is not placed before the department by the newsprint industry. We were particularly active following the curtailment of shipments to the British dominions and the United Kingdom, and we were very active in connection with exports to South America, straightening out the problems of the industry. This branch is the channel of communication between industry and government as far as exports of raw materials are concerned.

Then there is the transportation and communications division, a service to traders keeping them advised of changes in shipping rates, changes in restrictions having to do

with the shipment of goods, and so on; quite an active branch. Then there is the wheat and grain division, which acts as a liaison between the government and the wheat board and the board of grain commissioners. It keeps the government informed on their activities, and is the line of communication with the government for special problems requiring government decision or governmental action. The board of grain commissioners is an operating division in that it operates certain grain elevators in western Canada. That board also regulates the movement of grain, while the wheat board is charged with the selling of all wheat, oats, and barley that are marketed in the western division.

The economic research and development branch works with the bureau of statistics from which it obtains up-to-date information. It works independently in compiling that information, and forecasting the economic changes that would seem the probable result from recent trends, looking not more than one year in advance. This work was commenced in the department of reconstruction, and has been perpetuated in the Department of Trade and Commerce. It has been found a very useful service by all government departments, and the forecasts prepared by that branch are used by the Department of Finance as well in preparing the annual budget. I have been amazed by the accuracy of the forecasts prepared by that division. I may say that I have never had to apologize for any of the forecasts I have given. I believe hon. members may have noticed the great accuracy with which the budget figures have been forecast.

Mr. Macdonnell (Greenwood): We will all agree that you have never apologized, in any event.

Mr. Howe: I believe my hon. friend has not been so fortunate. The depression he has predicted for so many years has not yet arrived.

Mr. Macdonnell (Greenwood): No, I never prophesy.

Mr. Howe: That is the economic research and development branch.

Mr. Adamson: Who is the senior officer in charge of that branch?

Mr. Howe: Mr. Alexander Skelton. The same branch prepares an industrial analysis forecasting capital investment for one year ahead. In that connection it compiles a questionnaire which is sent out to some 2,800 industries in Canada. Area analyses are prepared, that is the forecast of employment within any area that is thought to be in a doubtful position. It also prepares a capital investment analysis, and gives assistance in the establishment of new industries.

Mr. Macdonnell (Greenwood): Can the minister give us an illustration of any particular studies, let us say in the maritimes, and the forecast there?

Mr. Howe: Yes, an area study was prepared for the New Glasgow area during the past year. As a result of that study certain public works that had no particular priority, except from the point of view of employment, were undertaken in that area. An area study was made of the Sydney area and also the city of Quebec area; that is part of the work of that branch.

Mr. Gillis: Could the minister inform the house of the results of those studies?

Mr. Howe: The result has been that steps were taken that brought about a great improvement in employment down there. My hon. friend may have noticed it if he has been home recently.

Mr. Gillis: It is not noticeable in the figures.

Mr. Howe: The best test of which I know is that I have relatives down there, and they are not able to find anyone who will work in the gardens or do any work of the kind which seems to be readily available.

The commercial relations and foreign tariffs division is the division that keeps all the particulars on the tariff situation. It represents Canada at tariff meetings at home and abroad. Its officers represented Canada at Annecy, and before that at Geneva. They will represent Canada in the tariff discussions which are to take place this autumn at Torquay.

Mr. Macdonnell (Greenwood): What then is the relationship between the Department of Finance, say, and the minister's department? I suppose it is the tariff board, an official from that board who goes to these conferences?

Mr. Howe: The finance department is responsible for the domestic tariffs, Canadian tariffs, and the Department of Trade and Commerce is responsible for representations concerning foreign tariffs. The two work in close liaison.

Mr. Macdonnell (Greenwood): At these meetings we are not represented solely by the Department of Trade and Commerce?

Mr. Howe: No, there are several departments represented, but trade and commerce usually carries the burden of the discussion, for the reason that this division has the up-to-date information about foreign tariffs.

I have mentioned the industrial development division, which provides assistance to

firms seeking to establish new plants in Canada, and aids firms already established to expand into new lines. During the year, over 500 representatives of firms or individuals interested in establishing plants in Canada discussed their plans with the division, and a like number of Canadian representatives sought similar guidance. In 1949, approximately 180 firms established themselves in business in Canada; 128 from the United States, 42 from Great Britain, and the remainder from continental Europe.

Then there are trade controls which are administered by the export permit division. Certain commodities are still subject to export control, more particularly commodities that are classed as strategic materials. It is more of an area control today than it is a commodity control. However, the export permit division has charge of that responsibility.

Mr. Macdonnell (Greenwood): Can the minister give us some instances of things which are still controlled?

Mr. Howe: Yes, a good many manufactured items are not allowed to go behind the iron curtain.

Mr. Macdonnell (Greenwood): Is that our control or theirs?

Mr. Howe: Our control; our exporters are not allowed to ship uranium to Czechoslovakia, for instance; that is an extreme case.

Mr. Macdonnell (Greenwood): I understand about strategic materials, but does this affect other ordinary materials as well?

Mr. Howe: There are very few items today upon which export control remains.

Mr. Macdonnell (Greenwood): Will the minister tell us the things that cannot be shipped?

Mr. Howe: Live hogs, and I believe certain precision instruments.

Mr. Gillis: With the hon. member's permission, I should like to follow up one question with the minister. A few moments ago he said that economic surveys had been made in certain maritime areas, such as Sydney and New Glasgow. As a result of those studies employment had improved greatly—

Mr. Howe: Not as a result of our studies.

Mr. Gillis:—to such an extent that his relatives could not get gardeners. Perhaps they did not pay the last one. However, that is not what I wanted to say. In addition to the general economic survey, the minister did conduct a personal survey about a year ago, and it is about that I wish to question him. It concerns an airport, which is not only a matter that affects the civilian population, but one that is of importance from a defence point of view. When the estimates of the Minister of National Defence were before the house, I questioned him as to what that department was prepared to do to improve the Dartmouth airport to the point where it could accommodate larger ships. Nothing over 60,000 pounds is allowed on that airport at the present time. When his estimates came in first, the Minister of Transport said that, as far as that problem was concerned, it was one for the Minister of National Defence. Then the Minister of National Defence, in discussing the matter with me on his estimates, said that as far as he was concerned he would take another look at it but he thought the responsibility was in the hands either of the Department of Transport or of the Department of Trade and Commerce.

I wish the minister could give us some definite answer. It is a matter of great concern to the community. T.C.A. have no landing field there as such for planes like the North Star. It is a large centre without airport facilities in the regular way. It is in bad shape as far as defence is concerned because it can land only the smaller ships. The minister made a survey personally a year ago, according to statements I have seen in the press, accompanied by the then senior member for Halifax who has now gone to the other place. At that time the minister thought that the establishment of a new airport—and I am speaking from memory of what I read in the press statement—or the spending of an additional $8 million or $10 million to make a new airport was not the thing to do, but he thought that any money that might be spent could be used in extending the Dartmouth airport to serve the dual purpose of T.C.A. and defence. I wonder if the minister could give us some answer with regard to that matter because that would be something practical arising out of a personal survey on the part of the minister. As to the other regular economic survey as pertaining to the maritimes, I do not think anything has come out as yet. Can the minister bring us up to date on that Dartmouth airport proposition?

Mr. Howe: I was in process of answering a question asked by the hon. member for Greenwood. I will, however, interrupt that in order to answer this question. My hon. friend mentioned three ministries interested in the administration of Dartmouth airport, and was kind enough to mention Trade and Commerce.

I might say that our interest is a minor one. As I understand it, Dartmouth airport is adequate for the services it is called upon

to perform at this time. My hon. friend has said that it is not adequate for North Star planes. That is quite true. But it is not intended that North Star planes should use that airport. Ottawa airport is not adequate for North Star planes and the North Star planes do not use Ottawa airport.

We cannot make every airport adequate for North Star planes at this time. We have Sydney and Moncton, two emergency airports in Nova Scotia that are adequate for North Star planes; and as my hon. friend knows, we have three airports in Newfoundland for that purpose: Goose, Gander and Stephenville. As far as I know, Dartmouth airport is adequate for T.C.A. traffic. We have recently installed instrument control for the approaches, and the operating conditions there are considered to be favourable at this time. I presume that extension of the runways will be made from time to time but I think there is no urgent need for an extension at the moment.

Mr. Gillis: At least that is a definite answer. Your reply is that, as far as you know, there is no immediate necessity to extend the airport, it is not the intention to provide a new one, and things stay as they are for the present.

Mr. Howe: As far as the Department of Trade and Commerce is concerned, the airport is entirely adequate for the operation of DC-3 transport planes. If a different type of equipment comes into use, the Department of Trade and Commerce will act for T.C.A. in pressing the government to make the required improvements. But at the moment, as far as the Department of Trade and Commerce is concerned, the accommodation is adequate.

Mr. Gillis: Thank you.

Mr. Macdonnell (Greenwood): Might I remind the minister that he has not yet given me the list of articles the export of which is prohibited.

Mr. Howe: The export of which is prohibited from Canada?

Mr. Macdonnell (Greenwood): Yes.

Mr. Howe: This list may not be up to date but there are certain precision instruments, being gauges, balancing machines, measuring machines or testing machines as used for laboratory or scientific purposes; atomic energy equipment and components, radiation detection equipment and components. There are radioactive substances, radioactive elements; radioactive isotopes; ores and concentrates of uranium and thorium including pitchblende, uraninite, carnotite, monazite. There are products such as manufactured articles containing uranium or thorium. Then there is beryllium, gallium, rare earth metals, zirconium; arms, ammunition, implements or munitions of war; military, naval or air stores. Then there are certain goods originating outside Canada which are prohibited in the country of their origin and which are not allowed to be exported from this country for that reason. There are certain other commodities but, without checking back on the last order in council which released a number of these commodities from export control, I would not like to put that list on *Hansard*.

Mr. Macdonnell (Greenwood): I take it that most of those are strategic materials?

Mr. Howe: Yes.

Mr. Macdonnell (Greenwood): Did you say that live hogs cannot be exported?

Mr. Howe: That is right.

Mr. Macdonnell (Greenwood): Why can they not be exported?

Mr. Howe: The fundamental reason of course is that we have a bacon contract with the United Kingdom which we are anxious to fill. It has been the practice since the first bacon contract was signed with the United Kingdom that live hogs cannot be exported from Canada except for purebred hogs which are shipped to authorized countries for breeding purposes.

Mr. Macdonnell (Greenwood): Earlier in the day the Minister of National Defence said something which I took to mean that it might be quite on the cards for us to export munitions of war. I may have taken him up in the wrong way.

Mr. Howe: All these things can be exported by permit. That is why we have the export permit branch.

Mr. Macdonnell (Greenwood): Yes.

Mr. Howe: Anything can be exported if the exporter can get a permit for its export.

Mr. Macdonnell (Greenwood): I presume the minister will deal with imports later?

Mr. Howe: Yes. There is the emergency import control division. That was an emergency program, as my hon. friend knows, instituted in 1947 as a step towards righting the exchange balances.

Mr. Macdonnell (Greenwood): Can the minister give us a list of the chief articles that are prohibited and that are on that list?

Mr. Howe: Automobiles, a great list of machinery items, practically all capital goods from hard currency countries.

Mr. Macdonnell (Greenwood): Does that mean that all British automobiles that come in here come in under special permit?

Mr. Howe: No. They come in freely. It is only the scheduled countries that are affected; that is, the hard currency countries.

Mr. Green: What about the goods that are not kept out for dollar reasons, such as rice? The minister mentioned rice a few minutes ago. Is it still subject to import control?

Mr. Howe: It is a hold-over from an international agreement. It will come off very shortly, probably by September 1.

Mr. Green: It is coming off this year?

Mr. Howe: Yes.

Mr. Green: It seems unfair to prevent importation.

Mr. Howe: This is the last of the foods that are under import control. There are certain times for taking these things off, and the proper time would be September 1.

Mr. Green: Are there any other commodities besides rice which are subject to import control?

Mr. Howe: No.

Mr. Green: For reasons other than emergency legislation?

Mr. Howe: No, rice is the last of the import controls. We hope to clean the list up very shortly.

Then there is the publicity division. It has charge of the various publications of the department. There are a great number of publications, particularly those connected with the—

Mr. Macdonnell (Greenwood): Has the minister skipped steel and timber controls?

Mr. Howe: They have been abolished.

Then there is the fairs and exhibitions department which has charge of the trade fair and various Canadian exhibits at fairs outside this country. Then there is the exhibitions commission. The standards branch has charge of weights and measures, the Precious Metals Marking Act, the Electricity and Fluid Exportation Act, the National Trade Mark and True Labelling Act, the Electricity Inspection Act, Gas Inspection Act, and the Weights and Measures Act.

Mr. Green: Is the priorities division still functioning?

Mr. Howe: No. The department is responsible for certain crown companies: the board of grain commissioners; Canadian Arsenals; the Canadian Commercial Corporation; the Canadian wheat board; Crown Assets Disposal Corporation; the dominion bureau of statistics; dominion coal board; Eldorado Mining and Refining Company; Export Credits Insurance Corporation. The Fraser valley diking board has been disposed of, but we now have instead the Red river diking board. Then there is the industrial defence board; the Polymer Corporation and the Trans-Canada Air Lines.

Mr. Green: Is the atomic energy division under the research council?

Mr. Howe: Yes, it is under the research council. My list includes the national research council and the bureau of statistics.

Mr. Macdonnell (Greenwood): What about the research foundation?

Mr. Howe: Any research foundation would be inside the national research council.

Mr. Macdonnell (Greenwood): Is that not under the minister?

Mr. Howe: Yes, the national research council and the atomic energy control board.

Mr. Fraser: The minister used to have a real estate branch in Trade and Commerce. Is that still functioning?

Mr. Howe: Yes, part of the general administration.

Mr. Fraser: What does it do?

Mr. Howe: It buys and sells real estate.

Mr. Fraser: What for, the Department of Trade and Commerce, or what?

Mr. Howe: It is charged with the settlement for real estate that we acquired during the war years. It also acts for the Crown Assets Corporation in disposing of real estate.

Mr. Fraser: It does that instead of War Assets?

Mr. Howe: It acts for War Assets. War Assets have the responsibility but they use this branch a bit. The branch is down to one man and a stenographer.

Mr. Hatfield: Will the minister tell me how long the wartime import control board is to function? How long is it going to continue? What commodities can we import from the United States? No customs officer seems to know.

Mr. Howe: It is a long story, and I do not know that I can tell it. A good many commodities are administered by the Department of Finance. Consumer goods are administered by the Department of Finance. Only capital goods are administered by the Department of Trade and Commerce. There is a

very long list of commodities that my hon. friend cannot buy freely from the United States without a permit.

Mr. Hatfield: I know that. Should not a person be able to know what he can buy? I call up a man and he tells me that I can import a certain article. I buy the article, and it is held up here by customs. A man here tells me that I cannot import it. Mr. Rogers, who was in the finance import branch, told me. He has gone out of that branch. I did not have it in writing; I had it orally with him.

Mr. Howe: Mr. Rogers was an officer of the Department of Finance. I take it that my hon. friend is having his trouble with the Department of Finance, that is, the wartime prices and trade board.

Mr. Hatfield: That is the trouble, he has been moved out of that position now.

Mr. Howe: We have our troubles as well.

Mr. Hatfield: What I should like to know is what we can import and what we cannot. Should there not be a published list?

Mr. Macdonnell (Greenwood): Could the minister not give a prediction at least?

Mr. Howe: All these lists have been tabled in the House of Commons; but I will endeavour to have them compiled into one list and table it before the end of the session if that will help my hon. friend.

Mr. Hatfield: They change all the time.

Mr. Howe: I know, but we all have to keep posted on these matters. That is why the citizens have representatives in parliament, so that their representatives can advise people just what the changes mean.

Mr. Fraser: But you never tell them.

Mr. Macdonnell (Greenwood): He has found a use for the opposition; that is something.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Macdonnell (Greenwood): There are one or two points which the minister did not cover in his statement this afternoon. Could he tell us something about exhibitions, particularly the Toronto trade fair?

Mr. Howe: There is a commissioner of exhibitions who is charged with the responsibility of the trade fair at Toronto and Canadian exhibits at trade fairs throughout the world, such as the British trade fairs at London and Birmingham, those on the continent, as well as certain exhibits in the United States. It is his responsibility to advertise Canadian goods wherever the department thinks it is appropriate to advertise by way of exhibits.

Mr. Macdonnell (Greenwood): As I recall, when the trade fair in Toronto was started the minister was quite conservative, if I may apply that word to him, in his estimate of what it might accomplish. In the light of the last one would the minister say a word as to just what progress has been made?

Mr. Howe: It would be more convenient to deal with this subject under the item that follows, but as the hon. member has asked the question I shall answer it now. The first trade fair was considered a success for a first fair. In my opinion the second fair was not as successful as the exhibitors did not seem to be as well satisfied as those who had exhibited at the first fair. The third fair was an outstanding success. There was a great range of exhibits and practically all the exhibitors with whom I talked—I think I talked to most of them—seemed quite happy about the results. It seems to me that it has been amply demonstrated that the fair is a first-rate piece of trade promotion. I think it can be considered an annual event, at least as long as the present trend continues.

Mr. Macdonnell (Greenwood): Would the minister rate it just as high vis-à-vis the United States as vis-à-vis the European countries? Do we get proportionately as high a number of exhibitors from the United States? Does the minister attribute the improved condition as far as Europe is concerned largely to the exchange depreciation brought about last September?

Mr. Howe: The trade fair was never aimed particularly at the United States. As my hon. friend knows, the exchange situation has led us to encourage the diversion of purchases from the United States to the soft currency countries. However, there were a great many buyers from the United States at the last trade fair. Currency devaluation had the effect of bringing sterling area and European prices into competitive line with the prices of other countries and in that way devaluation has had an effect. It was useless for some lines to be shown here before devaluation.

Mr. Macdonnell (Greenwood): Were the exhibits from the continent of Europe just as numerous as those from the United Kingdom?

The Deputy Chairman: I would point out that item 429 deals with exhibitions generally and item 430 with the Canadian international trade fair.

Mr. Charlton: Has the minister the most recent figures of trade with the United Kingdom and the United States, divided as between industrial and agricultural products?

Mr. Howe: The cumulative figures January to May are as follows:

United States

Exports	$736,900,000
Imports	817,100,000

Adverse trade balance, $80·2 million.

United Kingdom

Exports	$184,700,000
Imports	149,400,000
Favourable trade balance	35,300,000

Remainder sterling area

	million
Exports	$81·8
Imports	73·5
Favourable trade balance	8·3

Mr. Charlton: Could the minister divide those figures as between agricultural and industrial production?

Mr. Howe: It can be done, but I have not the figures with me. They have just been published and the breakdown has not been prepared although I may have it before the evening is over.

Mr. Higgins: On the minister's return from England a little while ago he announced that he had had talks with respect to the sale of iron ore and expected that the results would be made known shortly. Can he enlighten the committee on that matter? In the past two or three days the Minister of Fisheries announced that the Department of Trade and Commerce was negotiating for new markets for salt codfish. Can the minister enlighten us on that matter as well?

Mr. Howe: It is perhaps a day or two early for me to be able to set my hon. friend's mind completely at ease, but as a result of the talks I had while in England, and subsequent talks that are now current in England, before the week ends I hope to be able to announce a sale of 300,000 tons of iron ore to the United Kingdom for delivery in 1950 coupled with 700,000 tons of iron ore for delivery in 1951.

Mr. Higgins: Great news.

Mr. Howe: Perhaps my hon. friend can claim credit for that.

Mr. Fraser: That is very kind of you.

Mr. Howe: So far as fish is concerned, I am not ready to make an announcement. Those talks are not finished, but there again I think there will be good news before the week is out.

Mr. Herridge: I should like to ask the minister whether he discussed the question of the sale of Canadian apples in the United Kingdom market while he was over there.

Mr. Macdonnell (Greenwood): They are not food.

Mr. Howe: That subject was very thoroughly discussed while I was in England, and it is being discussed at the moment. The indications are quite hopeful.

Mr. Fulford: I should like to ask the minister whether any progress has been made in improving our trading position with the British West Indies.

Mr. Howe: Canadian trade with the British West Indies was the subject of a great deal of discussion when I was in England, and is the main topic of discussion in the trade talks that are now current. There again these estimates are being discussed about two or three days too soon. I am sure that the recent discussions will open the British West Indies to Canadian produce to a considerable extent. Before the end of the week I hope to make an announcement that will be very helpful to Canadian industry and Canadian agriculture.

Mr. Fulford: That is most gratifying. Since I spoke on the subject on April 24 in the budget debate, I have received letters from firms in Canada and the British West Indies. I have received newspaper clippings from the British West Indies and even a letter from a British member of parliament. I had no idea it was such a live issue. I realize that the West Indies are not satisfied with the present condition. Last week I had occasion to speak to members of the commonwealth press conference, editors and owners of various newspapers, and they were all of the opinion that a solution must be found, that the West Indies wanted further trade. I know that what the minister has just said will be gratifying not only to Canadians but to all the colonies comprising the British West Indies.

Mr. Browne (St. John's West): The minister seems to have such a general knowledge of all subjects dealing with trade that I am sure he will be able to answer the question I am going to ask, although I am not certain that it comes directly within his department. My question has to do with the progress that has been made in the development of the great discoveries of iron ore in the territory adjacent to the border of Labrador and Quebec. I understand the difficulties there are in

the development of that property, but I should like to know whether the minister is in a position to say what progress is being made.

Mr. Howe: Mr. Chairman, that development is a private enterprise, and just how much information I should give the committee is questionable. Therefore I do not think I will give very much. As my hon. friend knows, five important steel companies of the United States are interested in financing the development at the moment. I know that plans are being prepared for the railway that will serve the property, for the power plant that will deliver power to it, and for the harbour development to serve the property. Beyond that I do not think I can give any information.

Mr. Charlton: At page 268 in the details I see that there are fifteen fewer employees under this item than there were last year, and salaries are approximately $2,300 less. Is the smaller number of employees because of less work or is it simply a case of somebody else doing the work?

Mr. Howe: The department has dropped certain controls such as timber control, priorities control, and steel control, and as a result a number of high-priced employees have left the department. That explains the drop.

Mr. Charlton: Those employees will be listed in the various branches. This item simply deals with departmental administration.

Mr. Howe: As my hon. friend knows, the department is an amalgamation of trade and commerce and reconstruction and supply, and certain positions that were in the department organization last year have been dropped.

Mr. Charlton: Will the minister explain the item of $8,000 for sundries? I believe there are three items for sundries each of $8,000.

Mr. Howe: It is a general catch-all item for matters that are too small to set forth in detail. There is nothing very alarming about it. I thought we were discussing ministers' salaries. Is the minister's salary carried? I am anxious about that.

Mr. Graydon: That is statutory. The minister must be under a wrong impression. The statute many years ago gave him that so nothing we can do can take it away. He should not have such fear.

Mr. Fraser: That is one thing he does not control.

Item agreed to.

[Mr. Browne (St. John's West).]

General administration—

424. Commodities branch, including assistance in the development of markets and the procurement of supplies, and contributions as detailed in the estimates, $574,460.

Mr. Macdonnell (Greenwood): I want to draw the minister's attention to the wording of item 424 and ask him to give a little further explanation. It reads:

Commodities branch, including assistance in the development of markets—

I understand that.

—and the procurement of supplies—

I am not so clear about that.

—and contributions as detailed in the estimates.

Will the minister say a word about the procurement side of it?

Mr. Howe: The commodities branch includes the import branch. The import branch is a sub-branch of the commodities branch.

Mr. Macdonnell (Greenwood): Is it procurement of supplies for public purposes?

Mr. Howe: It is to assist private enterprise to procure supplies abroad.

Item agreed to.

General administration—

425. Trade commissioner service including payment of compensation to trade commissioners for damage to and loss of furniture and effects, under regulations approved by the governor in council, $2,052,859.

Mr. Browne (St. John's West): Can the minister tell me about the representation that is given the province of Newfoundland? Before confederation we had trade commissioners in London, Portugal, New York, and I believe in the West Indies. Has that been taken over by the federal government?

Mr. Howe: Yes; the personnel of the Newfoundland service have been absorbed into the trade commissioner service of the Department of Trade and Commerce. Instead of having representation in four or five countries, Newfoundland now has representation in forty-six countries.

Mr. Charlton: What is the total number of foreign service officers?

Mr. Howe: There are ninety-five trade commission offices in forty-six countries.

Mr. Charlton: There are only 113 employees altogether. Are ninety-five of those trade commissioners? The details show that twenty-five are foreign service officers. Are there ninety-five trade commissioners?

Mr. Howe: Trade commissioners and assistant trade commissioners. Sometimes in

a country we will have the trade commissioner's office in the capital, and an office headed by an assistant trade commissioner in another important city.

Mr. Charlton: Then on page 270 there is an item of $184,000 for travel and removal. Does that mean for travelling expenses to and fro on the part of these trade commissioners, and moving their families?

Mr. Howe: Yes, and their furniture.

Mr. Charlton: That requires $184,000?

Mr. Howe: Yes.

Mr. Charlton: If each of them moved once a year that would mean more than $2,000 each.

Mr. Howe: It costs far more than $2,000 to move a trade commissioner, his family, his furniture and household goods from Canada to South Africa, we will say.

Mr. McLure: Are these trade commissioners allowed to do a barter business? I am thinking of France at the moment. We could ship quite a quantity of furs to that country if our trade commissioners would barter them for the wines and liquors France has to offer. Why not make such a trade, so we would have a market for our furs? They are quite willing to do that, but it is hard to get these trade commissioners away from their golf and the other things at which they are enjoying themselves; and they do not like this barter business, though it is the only business that is worth while at the present time when taxation steps in to prevent trading or where money values are different. Would it be all right to follow that up with some of them and see if we cannot arrange some barter business?

Mr. Howe: The trade commissioners do not overlook any possibility of arranging barter transactions. If the opportunity is there it is called to our attention and to the attention of those in this country who may be interested in such barter business. The trade commissioner does not do barter business himself; he does not buy for his own account, as you can imagine. When my hon. friend speaks of taking the trade commissioners away from their golf, I believe the work of a trade commissioner compares very favourably with that of a member of the opposition in this parliament, and I wish my hon. friend would keep that in mind.

Mr. McLure: Would the minister repeat that statement?

Mr. Howe: I said the work and attention to business of a trade commissioner would compare very favourably with that of an opposition member of parliament.

Mr. Drew: Getting a little impatient, aren't you?

Mr. Howe: Not impatient; I do not like to hear our trade commissioners slandered.

Mr. Drew: That was a very silly statement.

Mr. McIlraith: Did you hear the statement by your own follower?

Item agreed to.

General administration—

426. Publicity and advertising in Canada and abroad, $201,315.

Mr. Fraser: What film is this $10,000 for?

Mr. Howe: Is my hon. friend asking about the reduction in the film vote?

Mr. Fraser: I wanted to know what films were being made this year, and whether the work was being done by the national film board or a commercial company.

Mr. Howe: Any films we have made are produced by the national film board.

Mr. Charlton: In the details at page 270 I see an item of $50,000 for advertising in Canada and abroad, as compared with $95,000 for last year. Then there is $35,000 for booklets, an increase of $10,000 over last year. There is $10,000 for films, to which the hon. member for Peterborough West referred, as compared with $30,000 last year. But in the first item of general administration there is an amount of $40,000 for trade promotion at home and abroad. What was the reason for transferring that $40,000 from publicity and advertising to administration?

Mr. Howe: The first item represents the cost of looking after groups from abroad who come here to promote trade. It is not an advertising expense; it is what might be called a hospitality expense. The second item is an advertising expense, and there is a reduction this year. We thought that with the advertising that went on in connection with the trade fair we could afford to reduce the ordinary departmental advertising, and we have planned accordingly.

Mr. Charlton: Does that $40,000 under the administrative item have anything to do with trade fair advertising?

Mr. Howe: No. The advertising item we are now considering is for departmental advertising, in connection with any matters the department believes should be drawn to the attention of the public, such as changes in regulations and so on. The promotion of trade item is not an advertising item.

Mr. Charlton: I do not think the minister quite understood my question.

Mr. Howe: I cannot hear you, for one thing.

Mr. Charlton: On page 270 there is a reduction of $45,000 under advertising in Canada and abroad, as compared with last year. I asked the minister the reason for that reduction, and whether it was accounted for by the $40,000 under administration.

Mr. Howe: No, the two items are not related. The $40,000 item covers such things as the cost of the trip to the United Kingdom by the deputy minister, trade commissions abroad, tariff expeditions abroad and so on. The other is for advertising in publications and newspapers. There is a reduction in the latter item which, as I have said, is made possible by the advertising incidental to the trade fair, which was paid for by the trade fair and which we think warrants a cut in the usual advertising appropriation.

Mr. Charlton: Then there is a reduction of $20,000 in connection with films. Is that because the minister feels films are not doing the job, or perhaps because more films were made last year? What films were made last year for the $30,000, and what are proposed this year for the $10,000?

Mr. Howe: This is not to pay for the making of films. It is for making the sound tracks in foreign languages; and for distributing films made by the film board or other agencies of government. The distribution of films on trade matters is undertaken by the Department of Trade and Commerce.

Mr. Charlton: Then this is not to pay for the production of films, but for transporting them around the country?

Mr. Howe: This is the cost of translating them into foreign languages and preparing them for distribution in foreign countries.

Mr. Fraser: Where your trade commissioners distribute them?

Mr. Howe: Yes.

Mr. Charlton: Who paid for the films?

Mr. Howe: They have been paid for. Some of those produced in the past may have been paid for by the Department of Trade and Commerce. Others have been paid for by the national film board. They are out of the library of government films, chosen because they have some significance in the country to which we send them.

Mr. Graydon: An item slipped by while I was out, and I wanted to ask the minister just one question without enlarging upon it. I am told by a prominent agriculturist in this country that there is a large market awaiting Canadian butter in Venezuela. I wonder if the minister has any information on that, or whether his department has made any recent investigation into the possibilities. If that were so it would be a great boon to butter producers here, who are faced with pretty heavy competition and the prospect of rather low prices in some instances.

Mr. Howe: Mr. Chairman, we have moved butter to Venezuela, and we hope to move more. Our prices are somewhat out of line with those competing in the market, but I assure my hon. friend we shall lose no opportunity to sell butter in Venezuela.

Item agreed to.

General administration—

427. Economic research and development branch, including the conducting of investigations and reporting upon commercial relations and foreign tariffs, and the development of Canadian industry, and a contribution of $6,300 to the International Customs Tariffs Bureau, $442,480.

Mr. Macdonnell (Greenwood): Will the minister add a word to what he said this afternoon on the question of the relationship between the tariff board and the Department of Trade and Commerce in connection with the whole question of commercial relations and foreign tariffs. The minister did mention it this afternoon, but I was not too clear on the division. On the face of it, it looks as if there might be a duplication. I should like to have it explained to me.

Mr. Howe: Mr. Chairman, the tariff board acts as adviser to the Minister of Finance regarding domestic tariffs, that is tariffs placed on goods entering Canada. The branch we are discussing, the economic research branch, commercial relations division, deals with tariffs applied by foreign countries against Canadian goods. I think that is the distinction. There is no overlapping.

Mr. Macdonnell (Greenwood): It is two sides of the same coin, so to speak. The minister did say this afternoon that the very able head of the tariff board does take full part in trade discussions. Perhaps there is nothing more that need be said about it, but surely the subject does not divide itself sharply into two unrelated parts, foreign tariffs and domestic tariffs. They seem to be part of one problem.

Mr. Howe: We endeavour to make it one problem. The officers of the Department of Trade and Commerce interpret foreign tariffs to Canadian business, and obtain the views of Canadian business on foreign tariffs. This department takes a leading part in any discussion of foreign tariffs, such as have been current in recent years at Geneva and Annecy.

Mr. Hatfield: Mr. Chairman, I understand the United States tariff commission is now taking evidence about the importation of Canadian potatoes into the United States, which evidence is to be presented at Torquay this autumn. Will the minister state whether we shall have a representative at Torquay who will be posted concerning the importation of fruits and vegetables from the United States, so that he can present an argument against shutting out potatoes going to the United States?

Mr. Howe: Mr. Chairman, the tariff commission of the United States is taking evidence in the United States, and our trade officials are taking evidence in Canada. The hon. member will appreciate that a meeting such as Torquay is a meeting for trading. We expect that our delegation will be able to hold their own against the American delegation in discussing the tariff on potatoes entering the United States. In any case, we are endeavouring to see that they are as well prepared as possible.

While I am on my feet permit me to present my hon. friend with an up-to-date list of articles that can and cannot be imported into Canada. This is not a list prepared by the government, but a list prepared by the Canadian Manufacturers Association. I will send it across to my hon. friend.

Mr. Hatfield: I shall be glad to have that list, and at the same time I should like to draw to the minister's attention a case concerning a manufacturer in the United States who built a plant at Montreal. He arranged to bring supplies from his plant in the United States to Montreal, thinking he could bring them in without any restriction. He found he was unable to do so, so last Wednesday he called me to see if I could help him. He is a competitor of mine, but I told him I would give him what help I could. We went to see the officials, and the first man we approached told us he would give this man a permit for enough supplies to last him two months, after which time he could get supplies in Canada. That was on Wednesday, June 21. On June 22, this official wrote a letter to the manufacturer at Lachine informing him that he could not bring in the supplies. The plant was ready to commence operations, and there were about fifty employees hired. This official, after telling his stenographer to send the permit to Rock Island so that it would be there in time for the goods to leave, wrote a letter stating that the chief officials of the board had turned down his application.

This morning I took up the question again, and the official told me he was still ready to allow the goods to enter. I cannot understand why he wrote the letter of June 22.

Mr. Howe: May I ask the hon. member if the man to whom he refers is an officer of the Department of Trade and Commerce?

Mr. Hatfield: The matter has to do with trade and commerce, but the official is the assistant to the deputy minister of finance.

Mr. Howe: The hon. member is asking me a question about matters of which I have no knowledge.

Mr. Hatfield: It concerns import control.

Mr. Hees: Could the minister tell us something of the results obtained so far by the committee under the chairmanship of Mr. James Duncan, of the Massey-Harris Company, Toronto, which was set up some time ago to promote better trade relations between Great Britain and this country?

Mr. Howe: I would point out that the committee of which Mr. Duncan is chairman is a businessmen's committee set up by private enterprise. From my knowledge of its work, I can say it is obtaining excellent results. I believe the comparative trade figures for 1950 and 1949 would indicate that. Someone at least has brought about a great improvement, and I give full credit to the Duncan committee.

Mr. McLure: While we are discussing this matter of tariffs, I should like to mention again a matter I mentioned earlier. I see by the press that we are about to negotiate with the United States concerning tariffs. There is one industry that has been nearly ruined by taxation and tariffs, and that is the fur industry. I might say that the United States is the only country that puts up an excessive barrier against silver fox furs. Today the tariff is 37½ per cent ad valorem. If the minister is to negotiate for lower tariffs or new concessions, I believe this is one matter that should be brought to his attention. While we allow furs from the United States to enter Canada duty free, the United States imposes a 37½ per cent ad valorem duty. At one time it was up to 50 per cent, but it was reduced a little. I should like the minister to make a note of that, and have his officials discuss it with the United States customs officers.

Mr. Howe: Mr. Chairman, industry across Canada has been invited to send in briefs covering any tariff reductions they hope to get. Those briefs are being studied. I have not the position of the fur industry in mind, but I shall take note of my friend's suggestion and look into it at the first opportunity.

Mr. Green: In that connection, Mr. Chairman, what is the effect on Canada of the cancellation of the reciprocal agreement between the United States and Mexico? Apparently we are likely to lose some trade because we can no longer get benefit by reason of the favoured nation clause.

Mr. Howe: It affects Canada indirectly. The United States have denounced their reciprocal trade arrangement—that is, their trade arrangement with Mexico—for the reason that they assert that Mexico has discriminated against Canadian trade.

Mr. Green: Against American trade, you mean; you said Canadian trade.

Mr. Howe: Against American trade, yes. It will have a repercussion on Canada with regard to two items of which Mexico is the principal supplier. One is lead and the other is cattle. The items are down for discussion at Torquay in September and it is hoped that the Canadian position can be corrected at that time. If he asks me what items will be affected as a result of the action taken by the United States, those are the two principal items that will affect Canada.

Mr. Green: Will the effect on lead be quite considerable?

Mr. Howe: It restores the duty. The present duty of one and a half cents a pound will go to three cents a pound.

Mr. Green: Is that considered serious?

Mr. Howe: It is quite a bit.

Mr. Green: What about oil? Is that not affected also?

Mr. Howe: It might affect our position if we were an exporter of oil, but we are not, so our position is not affected.

Mr. Green: One other question I should like to ask on this item has to do with the lumber trade between the Pacific coast and Great Britain. Apparently the British are buying less and less lumber all the time. Within the last two weeks they have called for tenders on another order which is for only 200 million board feet, to be shared between the west coast states and British Columbia. Apparently British Columbia this year has sold to the United Kingdom 167 million board feet, and they will be sharing with Washington and Oregon in this new order for 200 million board feet; whereas in 1949 British Columbia sold a total of 345 million board feet and in 1939 sold practically one billion board feet. What is the position with regard to that trade? Is Russia cutting in? Is it likely to continue small or what are the prospects?

Mr. Howe: As I have stated before, Mr. Chairman, the trade cannot sell Canadian exports twice. The Canadian exports have been going to the United States, attracted there by the abnormally high prices. Prices today are much higher than prices at any other time since the war. My. hon. friend mentioned 2 million board feet.

Mr. Green: Two hundred million board feet.

Mr. Howe: Yes, 200 million board feet. As I understand it, it is 2,000 standards, which is 400 million board feet. I think British Columbia can have all that order if they will quote a reasonable price. I do not think they can expect to get the American price; but they can certainly have it if they quote anything like the price which they applied to earlier exports to the United Kingdom.

Mr. Green: Is not the purchase price of that lumber to be paid out of ECA funds?

Mr. Howe: Yes.

Mr. Green: Under those circumstances it would be unlikely that British Columbia would get the whole order, would it not?

Mr. Howe: British Columbia could have had all the previous orders. They actually took only 75 per cent but they could have had it all had they been able to handle it. They only quoted on part of it. If British Columbia quotes on all this order and quotes a reasonable price, there is no doubt in the world but that all of the order will be placed in British Columbia.

Mr. Green: Is Russian lumber cutting in on the British market?

Mr. Howe: Russia has always had a good share of the British market. I think its proportionate share at the moment is less than in the pre-war years; but it is shipping some lumber into the British market.

Mr. Macdonnell (Greenwood): I understood the minister to say a moment or two ago that this denunciation of the trade treaty between the United States and Mexico might affect the tariff on Canadian cattle. Am I right in thinking that one of the few results that we got after the Geneva discussion of 1947 was a reduction in the tariff on cattle? I thought that was a definite bargain which would not be affected by anything else.

Mr. Howe: The Geneva agreements covered the light and the heavy-weight cattle. The treaty with Mexico covered the medium-weight cattle; and the immediate effect, if the treaty is denounced, is to take away the tariff concession that arises to Canada, out of the agreement between Mexico and the United

States, on medium-weight cattle. Naturally the item is down for discussion at Torquay, and I have every reason to believe that medium-weight cattle will be brought under the general agreement on tariffs and trade.

Mr. Macdonnell (Greenwood): Can the minister say something on the news item—I think I saw it in the New York *Times* of Sunday—to the effect that the hoped-for removal of administrative restrictions in the American tariff is not likely or that the bill before congress is not likely to be passed this year? Can the minister comment on that matter? I understand that in some ways administrative restrictions are more important than the actual tariffs.

Mr. Howe: The bill in question is still before a committee of the United States congress. I would not want to take responsibility for saying it will not be passed, and I am sure my hon. friend would not. That is a matter for the United States congress, I think.

Item agreed to.

General administration—

428. To provide for expenses of the industrial defence branch, $60,197.

Mr. Charlton: Will the minister explain to the committee just what are the duties of this industrial defence branch.

Mr. Howe: This estimate covers the requirements of the industrial defence board and the share of defence planning which falls within the sphere of the Department of Trade and Commerce.

P.C. 1739 of April 20, 1948, sets out the duties and functions of the industrial defence board, originally set up in the Department of National Defence but transferred to the Department of Trade and Commerce by P.C. 1166 of March 15, 1949, as:

(a) to advise the government of Canada and the Minister of National Defence on all matters relating to the industrial war potential of Canada;

(b) to prepare and keep up to date a plan for industrial production in the event of war;

(c) to arrange for such liaison between the naval, military and air forces of Canada, the Canadian Ordnance Association, Canadian Arsenals Limited and other agencies and industries as will ensure an understanding of defence needs and the active co-operation required to meet such needs;

(d) to encourage the standardization of specifications and industrial practices;

(e) to advise on the location of industries and on the development, procurement, inspection, storage and distribution of material and equipment and the maintenance of reserve stocks.

Mr. Charlton: The number of employees is nine, and I take it that all those employees are not travellers. The total salaries of the branch are $26,000 and the travelling expenses are $15,000. Surely all the nine people who are employed in this branch are not travelling around the country all the time.

Mr. Howe: The director of the branch has been to Europe three times for extended periods. He left for Europe this afternoon, to represent the government on the Atlantic pact conference. My hon. friend thinks that he can travel to Europe, spend a month or two there and get back without considerable cost. I assure him that that is not the case.

Mr. Charlton: Would this travelling expense amount be all for one man?

Mr. Howe: No; all the officers of the department are required to travel. Frequent conferences are held in Washington, extending over considerable periods. Various committees of the defence planning board travel there. My hon. friend laughs, but I assure him it is not possible to walk to these conferences. If an officer is sent over to Washington he must travel there, must stay at a hotel and must travel back, and all that costs money.

Mr. Charlton: I wonder whether the Minister of Trade and Commerce is giving passes. Perhaps that is the reason for all the deficit on the Trans-Canada Air Lines.

Item agreed to.

Exhibitions—

429. Exhibitions generally, including a contribution of $1,000 to the international bureau of exhibitions, $234,184.

Mr. Browne (St. John's West): Can the minister tell us how many exhibitions Canada took part in, in 1949, and how many this year? I was in Milan last year. Was Canada represented in the Milan exhibition last year? I notice an improvement in sales to Italy last year.

Mr. Howe: The Canadian government exhibitions commission provide exhibits for all government purposes. Nineteen exhibits were constructed and four others were in the course of construction at the end of the year. Of the nineteen ten were displayed at nineteen events abroad and nine displayed at some thirty events in Canada.

Mr. Browne (St. John's West): Can the minister explain the Canadian ones? Did he say nine cities?

Mr. Howe: I am told that the domestic exhibits are normally prepared for other departments. The Department of Trade and Commerce has a service which other departments may make use of if they wish. If the

Department of Agriculture has a display at certain centres they sometimes call on the Department of Trade and Commerce to arrange the exhibit.

Mr. Browne (St. John's West): Did you have an exhibit in Milan in 1950?

Mr. Howe: Yes, we had an exhibit at Milan in furs, and we later were in process of moving that exhibit of furs to Lille, France.

Item agreed to.

The Deputy Chairman: Perhaps I should point out that there is a further supplementary item, namely, item 781, which is related to the items which we have just carried. It reads:

Exhibitions—

781. Exhibitions generally—further amount required, $15,000.

The details are found at page 14 of the further supplementary estimates. Shall the item carry?

Mr. Charlton: Hold everything.

Mr. Browne (St. John's West): Can the minister explain why he needs this $15,000? Is it generally, or is it for some new exhibition?

Mr. Howe: The $15,000 was for the exhibition at Lille that I spoke of a short time ago. Canada's participation had not been arranged at the time the main estimates were brought down. I suggest, Mr. Chairman, it may be simpler to take the supplementaries after we finish the main items.

The Deputy Chairman: Shall we carry item 781 now, or allow it to stand?

Item agreed to.

Exhibitions—

430. Canadian international trade fair, 1950, including authority to refund from revenue deposits received for contracts for space (revote $115,000), $602,000.

Mr. Knowles: Will the minister comment on the comment with respect to this item made by the Auditor General? I am sure the minister has heard of the memorandum which the Auditor General submitted to a committee of the other place and also to the public accounts committee of this house. In that memorandum he refers to a number of items in the estimates which have the effect of legislating, and in particular he points out that that legislative effect is brought about in some cases by varying the provisions of some other statute.

With respect to item 430 the Auditor General points out that this varies the provisions of the Consolidated Revenue and Audit Act respecting the treatment of revenue. As I understand it the Consolidated Revenue and Audit Act requires that all moneys received by the government or any agency thereof are received by the receiver general, and if there is any money paid out, even if it is a deposit to be paid back, it is in turn paid out of the general exchequer. Apparently item 430 is worded in such a way as to give the department the authority to refund from the revenue it receives, in connection with trade fairs, money covering deposits. Has the matter been discussed between the minister and the Auditor General, or what defence has the minister to offer for departing from the usual practice in this case?

Mr. Howe: It would be impossible to foresee the extent of the refund of deposits. A deposit is made to cover Canadian duty on the exhibit ahead of the re-export of the exhibit. Certain reasons are advanced why an exhibitor will re-export rather than sell the exhibit in Canada, and it is the practice to refund his deposit if the product is re-exported.

It is ordinary business practice. An exhibitor deposits certain money with the trade fair board for certain purposes, and this item gives the board the permission to refund after the purpose of the deposit has been served.

Mr. Knowles: In that instance, the cheque is made out and signed by somebody representing the trade fair directly rather than by the comptroller general, as is the case with other refunds or payments that are made?

Mr. Howe: That is true.

Mr. Knowles: The minister says that is the situation. But I am calling his attention to the fact that the Auditor General does not approve of the practice.

Mr. Howe: I am aware of that, but the amounts are not large. It is a small amount in total, and to ask parliament to vote a sum to cover refund of deposits by exhibitors I think would be complicating a very simple situation.

Mr. Macdonnell (Greenwood): A waste of time even for the opposition.

Mr. Howe: Yes.

Mr. Hatfield: Is this trade fair carried on in the interest of Canada or in the interest of Europe?

Mr. Howe: My hon. friend can be assured that it is carried on in the interests of Canada. If it were not in the interest of Canada it would not be carried on.

Mr. Fraser: This year there is a charge of $82,000 for rental. There was no charge last year. Did the city carry it last year?

Mr. Howe: There was a charge last year, but perhaps it does not appear in the items that we have. The $82,000 is paid to the Toronto exhibition commission for rental of the buildings used by the fair.

Mr. Fraser: Then there is $38,000 protective and other services.

Mr. Howe: Yes.

Mr. Fraser: I wondered whether Toronto paid for the police last year, and you have to pay for them this year.

Mr. Howe: No; we pay for the protection service inside the grounds supplementary to the ordinary police service that we get from the city of Toronto.

Mr. Fraser: It is put in differently this year.

Mr. Howe: I presume so, yes.

Mr. McLure: The minister should give us a little statement regarding this international trade fair. I have now attended, I think, three of these fairs in Toronto and the third seemed to be a wonderful fair. It is great advertising for Canada and provides a place for the interchange of commodities of the different countries. It would appear from this item that it is going to be continued for another year. This would be an opportune time for the Minister of Trade and Commerce to make a statement as to what this fair is doing in the interests of Canadian and foreign trade.

Mr. Howe: The 1950 Canadian international trade fair ended on June 9. The merchandise of 2,247 manufacturers and producers from 33 countries, including Canada, was shown during the previous two weeks. It will be appreciated that as yet it is too early to get final costs and revenues, but from present figures available it would appear that the costs are $835,000 and the revenue $442,000, an estimated net cost of $393,000.

The number of business visitors who were registered as being in attendance is 35,364. While the majority of these were from Canada, there were business representatives registered at the fair from many countries. While no effort is made by the Canadian government exhibition commission to secure exact figures from the individual exhibitors as to the business conducted at the fair, judging from the comments volunteered by a number of the exhibitors there is no doubt this fair has been the most successful of the three held to date.

The fair has several purposes. It enables Canadian buyers to view the work of many countries and compare the products of one country with another. The limiting factor on the number of buyers who attended the fair was the hotel accommodation in Toronto and vicinity. The fair permits Canadian manufacturers to compare their products with those of other countries and also to compare Canadian prices with those of other lands. It brings many visitors to Canada who are potential customers for Canadian products. I found the Canadian exhibitors just as enthusiastic about the results obtained from the fair as were the other exhibitors, particularly those from the United Kingdom.

Mr. McLure: I am glad to hear the minister make that statement. I attended the fair and I think it is a wonderful institution. If the house is sitting when the next fair is on I think it should close for two or three days to give all hon. members an opportunity to attend. One could see only a portion of the exhibits in a day but it gave a good impression of what industry was doing in other countries. It was a marvellous sight to see all these countries showing their wares and offering them for sale, and incidentally making a number of sales.

Mr. Jones: There are two items at the bottom of page 272 I should like the minister to explain. One item is for $171,500 to cover the construction, erecting and dismantling of booths. The amount voted last year was only $43,770. Then there is an item of $131,000 for advertising, which is a reduction of almost $100,000 from the item of $230,000 of last year.

Mr. Howe: In regard to the first question I can only say that we spread the cost of constructing, erecting and dismantling the booths over two years. The actual annual amount was about the same for each year. With regard to advertising, we feel that the fair is now established and not quite as much expenditure in that field will be required. In earlier years efforts were directed toward attracting exhibitors to the fair but we feel now that exhibitors in all parts of the world know about the fair. The intention is to concentrate next year more on attracting buyers and we think that the amount required for such advertising can be reduced.

Mr. Macdonnell (Greenwood): Will the minister enlighten me on one point? Under this item 430 the amount for this year is shown as $620,000, as compared with $422,000 last year, or an increase of $180,000. Then in the line below is an amount covering the Canadian international trade fair, 1949, $624,000, which is shown as a decrease in the right-hand column.

Mr. Howe: The two figures for last year should be added together. The amount appropriated last year was considerably more than the amount that will be appropriated for the next year. I think the gross amount appropriated last year was around $900,000.

Item agreed to.

Standards division—

431. Administration, including administration of the Precious Metals Marking Act, $106,050.

Mr. Knowles: Has the minister had brought to his attention a resolution passed by the Canadian Chamber of Commerce asking for the establishment of certain standards with respect to shoes and footwear? May I ask if anything has been done to meet that suggestion?

Mr. Howe: My hon. friend will recall that parliament passed a bill last year providing for Canadian standards. Standards are being established but I am told that the standards for boots and shoes have not been established up to the moment.

Mr. Knowles: May I express the hope that now that the matter has been drawn publicly to the minister's attention he will ask his departmental officials to dig up that resolution, have a look at it and see whether there is not something that could be done in connection with this matter. After all, it comes from the minister's own friends and I too think there is something in it.

Mr. Howe: Could I have the privilege of naming my friends and offer the same privilege to my hon. friend?

Mr. Knowles: I thank my hon. friend for naming me as his hon. friend in the course of that interchange. For future reference may I ask if the administration of the Trade Mark and Design Act comes under this branch?

Mr. Howe: Yes.

Mr. Macdonnell (Greenwood): Is there any revenue derived under this item or is it all outgo?

Mr. Howe: This branch takes in more revenue than it expends.

Mr. Macdonnell (Greenwood): Could we know what the revenue is? I suggest that we deal with these four items together.

Mr. Howe: The electricity and gas inspection services took in $534,003.77.

Mr. Macdonnell (Greenwood): Is that all you can make out of it?

Mr. Howe: Gas inspection, $122,403.60, and electricity export duty, $431,895.38. The weights and measures division took in $472,510.28. Against that there were expenditures for administration. If my hon. friend will take these down I think he will find they balance out fairly well. Expenditures for administration were $88,394,52; electricity and gas inspection, $463,227.61; laboratory expense, $33,019.94; and weights and measures inspection, $512,539.74.

Mr. Harkness: Can the minister tell us what the gas inspection service does? I come from a town which has used gas almost universally for a long time, and I have never heard about the inspection service. What does it do?

Mr. Howe: It is required that every gas meter be inspected and stamped by the federal government once every six years, I think it is.

Mr. Hatfield: Why is the importation of scales prohibited?

Mr. Howe: Imported from where?

Mr. Hatfield: The United States.

Mr. Howe: Scales are imported under licence from the United States and imported freely from soft currency countries. The process is a part of the emergency exchange conservation regulations.

Mr. Knowles: That is not your department.

Mr. Hatfield: I bought a set of scales in the United States for $70. I had to pay $130 for the same type of scales made by the same company in Montreal.

Item agreed to.

Dominion bureau of statistics—

437. Census of population, including contribution of $3,543 to the inter-American statistical institute committee on the 1950 census of the Americas, $1,278,838.

Mr. Knowles: How much of this item is for next year's census? Can the minister say how preparations are proceeding for that census and what will be its total cost?

Mr. Howe: The figure for expenses in connection with the 1951 decennial census of population and agriculture is $987,075. I think that is the principal item. There is another item of $7,500 for a census of distribution. The estimate of expenses for the 1951 census is about $1 million.

Item agreed to.

Wheat and grain division—

438. Salaries and other expenses, $26,450.

Mr. Fair: I should like to say a few words about this item. It involves a little matter of nearly $600 million belonging to the wheat growers of the prairie provinces. It has given me and the wheat growers of the west

quite a lot of concern since the British wheat agreement was made some three or four years ago. Earlier this month we were able to get a statement from the Minister of Trade and Commerce to the effect that the British government does not intend to make good anything in connection with the "have regard to" clause in the British wheat agreement. Tonight I hope he will tell us what the government intends to do to make up the western farmers' losses, and I hope he will not tell us that the government feels that the farmers have not any money coming to them, because at least some members of the government are not of that opinion.

Under the contract we supplied Great Britain with wheat in 1946-47 at $1.55 a bushel, and the average price of class II wheat, which can be called by any name you wish but I call it class II wheat because we are dealing with wheat sold by the Canadian wheat board and for which they received payment, was $2.43 a bushel. That involved an average loss of 88 cents a bushel on the wheat sold to Great Britain. In the 1947-48 crop year we supplied wheat to Great Britain at $1.55 a bushel, and the Canadian wheat board was able to sell class II wheat to its different customers at $2.88 a bushel, or a loss to the Canadian wheat grower of $1.33 a bushel. In the third year of the contract, the 1948-49 crop year, Great Britain paid us $2 per bushel while the average price for class II wheat was $2.23 per bushel, meaning a loss of 23 cents a bushel, or more than $400 million for the three crop years.

During the same period we supplied millers with wheat so that the people of Canada could eat cheap bread, at a cost to the farmers of approximately $124 million. Those two sums total $524 million up to the present time, and we expect that there will be further losses on the present crop year. What they are I am not prepared to state. Since I do not want to be contradicted by the Minister of Trade and Commerce or anybody else I have used approximate figures, because actual figures are not very easy to obtain. We may be told that the Canadian wheat growers are not entitled to any compensation. To prove my case I want to quote from page 1971 of *Hansard* for March 24, 1949. The house was dealing at that time with the Agricultural Products Act. Near the bottom of the second column we find that the Minister of Agriculture had this to say:

> Along with that consideration I couple the fact that it is due to the farmers of this country that we have legislation such as this on our statute books throughout the transitional period in order that the house may see to it that the whole population of Canada pays back some of what my hon. friends over on the other side of the house have been talking about ever since this debate began.
>
> Ever since this house held its first sitting in this session, member after member has been getting up and saying: Why should the farmer carry the whole load? What I am saying to this house tonight is that the government does not believe that the farmer should carry the whole load.

I ask the committee to take particular note of that statement made by the Minister of Agriculture. He went on to say:

> We have arrived at the time when, unless we are going to make an effort to have Canada carry part of the load, we must throw our farmers on other markets and put them in the position of having to take a lower price than they can get under these contracts, and a lower price than they ought to be able to get in Canada, because of what they have done over the past seven or eight years. When we put that emergency alongside of the other emergency, then I say that there is every reason in the world for passing this piece of legislation which has in it only one section of importance, which says that this kind of legislation should be continued for another year. During that year we hope we may be able to do at least some of the things Canada ought to do in order to express appreciation of all that the farmers did throughout the war, and since.

The Minister of Agriculture has made several statements about these losses. I should like to refer to what he had to say on December 10, 1949, when discussing his estimates. He was referring at the time to a speech he made to the London chamber of commerce in December, 1948. At page 3079 of *Hansard* he had this to say:

> The trend of the article is to call attention to the fact, not in this country but over in Great Britain, that it is a pretty difficult task for twelve million people to undertake to feed, half feed or twenty-five per cent feed, fifty million people in Great Britain. If that is what is being suggested, then I am quite prepared to say that if it is going to be done it cannot be done by the farmers alone.

For that reason I say the Minister of Agriculture, even if he has no support in the cabinet, is willing to admit and has admitted that the farmers of Canada should not carry this whole load by themselves. I have said that it is not the business of the farmers to demand that Britain make good any further losses. That should be a matter between the British government and the Canadian government. The Minister of Trade and Commerce and his officials were over there earlier this month. They were told by Sir Stafford Cripps and his officials that Britain had fulfilled its share of the contract, and on behalf of Canada the minister stated that they agreed with that pronouncement. So I feel the remainder of the responsibility lies directly upon the dominion government.

Time after time we on this side of the house have asked the government to give us some statement in connection with those losses. Tonight I hope the minister will tell

us what the government intend to do about that matter. The farmers of the west feel that they did a fairly good job during the war. They worked long hours; they worked hard, and then had their products taken over by the government and in some instances sold at give-away prices. Now they demand some compensation for what was done in the past. Many of us felt that we would have a guaranteed market at guaranteed prices for at least seven or eight years to offset the losses accepted under those wheat agreements and in connection with the sale of other products, but at present we find practically no protection, no guaranteed markets and no guaranteed prices. Our wheat is being sold under the international wheat agreement, and in that I find very little protection for our farmers. So I believe the time is now at hand, since the period ends on July 31, for the government to come through with what the farmers really believed they intended to do; that is, make up the losses suffered under the contracts with Great Britain and through the sale of our wheat at prices which were kept low in order that we might maintain price control and a low cost of living in Canada during the war and for some years after.

Mr. Argue: I agree with the sentiments that have been expressed by the hon. member for Battle River. Because of government policy over the past number of years the farmers have made a real sacrifice for the benefit of the Canadian consumer, and also for the benefit of our best export customer, Great Britain. I agree with the hon. member when he says the government has some obligation to take care of at least part of the loss that has been incurred, and a continuing obligation over the years ahead to give the farmers stability. I know the Saskatchewan farmers' union and the Alberta farmers' union had a conference with the minister last week, during which they presented a brief which dealt with two main points. The first was that the government had an obligation to make up some of the losses sustained by farmers who have sold their wheat since 1945, and also a continuing obligation to guarantee reasonable prices in the future. I should like to ask the minister if the government has reached a decision as to what additional payment might be expected over and above whatever amount is left in the wheat pool fund. Did the minister hear my question?

Mr. Howe: Yes, I heard it.

Mr. Argue: And if a decision has not been reached I should like to know if the matter is still under consideration and whether a decision will be reached soon.

[Mr. Fair.]

Mr. Howe: My hon. friend is talking about—

Mr. Dewar: I should like to make a short comment before the minister replies. I agree with some of the remarks of the hon. member for Battle River and the hon. member for Assiniboia; but they both paint a lurid picture in which they make out that the farmer of western Canada is destitute. I cannot agree with that.

Mr. Fair: Mr. Chairman, that is something the hon. member has drawn from his imagination.

Mr. Dewar: Kindly let me finish. I allowed you to go on; now let me talk. I have listened to you fellows for the last four months. You are like a bunch of jacks-in-the-box; whenever anyone tries to say anything you jump to your feet. Now let me say a word. I do not want anyone to get the idea that I have not the interests of the western farmer at heart just as much as any one of you.

Mr. Fair: Better express it, then.

Mr. Dewar: If you will be quiet long enough I shall do so. Do not forget the position of the western farmer in 1939. At that time the average farmer had a mortgage on his farm; he was heavily in debt; he had no car, and no machinery. Look at his position ten years later.

Mr. Knowles: Who was in power then?

Mr. Dewar: Never mind; certainly it was not the C.C.F. Ten years later we find the western farmer in a pretty solid position. He has paid off his mortgage; he has a reasonable quantity of good machinery and a car too in which to take the odd little holiday. The hon. member for Assiniboia spoke of the Saskatchewan farmers' union pleading with the government—

An hon. Member: Not pleading.

Mr. Dewar: I get a great kick out of these fellows over here, Mr. Chairman. I sit and suffer; and I say "suffer" advisedly—

Mr. Knowles: You mean you sit and slumber.

Mr. Dewar: —and listen to them for six months, but they have not the courtesy to let someone else speak without interruption. I cannot say what I have in mind at the moment or I will be called to order, but I really feel sorry for their intelligence.

Mr. Sinnott: That will hold them.

Mr. Dewar: Nothing will hold them; they do not know any better.

Mr. Knowles: If we did not interrupt, you would have nothing to say.

Mr. Dewar: There is the hon. gentleman who has spoken about eight hundred times, who bobs up like a jumping jack. Never in my life have I heard anyone who knew so much about so little and had so much to say about it. There is nothing mentioned in this house on which he is not an expert. The hon. member for Assiniboia spoke of the period from 1940 to 1945. I quite appreciate that farm prices were not too high, but we must not forget that all prices in Canada were fixed, and relatively speaking during the war years the farmers were reasonably well treated.

Mr. Argue: I said in 1945.

Mr. Dewar: You mentioned the money that was owed up to 1945.

Mr. Argue: I said from 1945 on.

Mr. Dewar: I quite agree that the price was not high, but neither were the wages of the average industrial worker. In 1945 and 1946 the question of a fair price for wheat was under discussion, and it will be recalled that the wheat pools and farm organizations throughout Canada were quite happy and quite ready to agree on a five-year price of $1.55 per bushel. I believe the minister will back me up in that. All right; we have gone on these last few years, and at the present time the price to the farmer is fixed at $1.75 a bushel for all the wheat he will have delivered during the five crop years ending July 31. I should like to suggest to the minister that, in view of the fact that our freight rates in western Canada are rising because labour wants more money, when the government starts discussing the winding up of this wheat board operation they will consider giving the farmer an additional fifteen cents per bushel. I am not going into the figures like the hon. member for Battle River, and suggest there is $600 million; that is a mythical sum.

Mr. Johnston: Just for my information, how much is it?

Mr. Dewar: Knowing as much as you let on you know, you ought to know that without my telling you.

Mr. Johnston: You just don't know.

Mr. Dewar: You know, when I look at the hon. gentlemen over there who let on they know so many things, I feel sorry for them.

An hon. Member: What are you talking about?

Mr. Dewar: You would not know; you have not reached that state of maturity.

Mr. Johnston: I just asked one simple question. Give me an answer to it.

Mr. Dewar: I am asking the minister through you, sir, to consider giving the farmer of western Canada an additional fifteen cents a bushel. I quite appreciate that if at the time of the wind-up we are not going to have fifteen cents in the general pot, or whatever you want to call it—

Mr. Hatfield: Why not twenty-five cents?

Mr. Dewar: The hon. member would be all ears if potatoes were being discussed. If it were going to mean a dollar for him but nobody else, he would be all ears. As I was saying we had an agreement with the United Kingdom, and on February 28 I suggested that, in view of the United Kingdom's position, they were shrewd traders. Nothing has happened up to the present to lead me to believe that the United Kingdom is all it is cracked up to be. I know some hon. members will sing the praises of Great Britain for what she has done for the colonies, and what she has done for the commonwealth. I repeat that anything Great Britain is today, or has been in the past, is what the colonies have made her. Do not ever forget that. In view of the type of government, and the class of individual that is running the country in Great Britain today—

Mr. Gillis: What is the matter with it?

Mr. Dewar: You just keep quiet.

Mr. Gillis: What do you know about it?

Mr. Dewar: Just as much as you do, which is nothing. In view of the class of individual, and in view of the fact that the government of the United Kingdom made an agreement and has not lived up to it, I suggest to the hon. minister that when the wheat is sold he give consideration to some adjustment by virtue of the "have regard to" clause. Great Britain paid higher prices to other commonwealth countries, in fact to all other countries. Canada lived up to the agreement, and by the same token I feel Great Britain should live up to the agreement. There is no denying it. I trust that this government, of which I am proud to be a member,—

An hon. Member: Since when were you a member of the government?

Mr. Dewar: I am no rubber stamp like some of the outfit over there. I have no doubt the minister will suggest that if we decide to add a few million dollars of subsidy to what is paid to the western farmer, the eastern taxpayer is not going to be happy about it. I quite appreciate the fact that the eastern taxpayers are not going to be happy about it. There is one thing I do not want anybody to forget, and I want to emphasize it, that is the prosperity of the east is predicated entirely on the prosperity of the west. Let no one forget that. Every day of the year

the three western provinces produce $2 million out of the top six inches of soil. The members from Alberta can talk about oil, but it means nothing in comparison to our agricultural production. We do not want anyone to forget that the farmer of western Canada is one of the greatest buyers in the world, as well as one of the greatest producers in the world. About ninety per cent of the money the western farmer receives for his production is spent in eastern Canada. If the minister does suggest the taxpayer in eastern Canada might be put out, I want him to bear in mind what I have said. I also want him to bear in mind that, as a member of the Liberal party and a supporter of the government from western Canada, we have full confidence in the Minister of Trade and Commerce.

Mr. Fair: I should like to tell the minister that the hon. member, whose main contribution throughout the session has been to shout the word "carried", has suggested that I have used figures that are not accurate. I shall inform him that I am using a report of the Canadian wheat board, for the crop year 1948-49, and I have complete confidence in that board. My figures will be found to be correct.

Mr. Dewar: If my only contribution has been to shout "carried" during the past session, it has been far more than the contribution of any hon. gentleman of his party. If he thinks he can cram anything down my throat—I assure him I will take any member of his party on, individually or collectively.

The Chairman: Order. I wish to remind hon. members that we are dealing with item 438. Shall the item carry?

Mr. Argue: No, Mr. Chairman, I wonder if the minister will answer the question I asked him as to whether the government is considering raising the final price to $2 per bushel as requested by some farm organizations?

Mr. Howe: Mr. Chairman, I have listened to some strange explanations of the position of the government in connection with the five-year pool. It seems to me that some hon. members have lost sight of the fact that Canada went to Britain attempting to obtain an insurance policy covering the sale of wheat for four years; that the agreement entered into was supposed to be a protection to the farmers. My hon. friend speaks of the government sacrificing the farmers. I find it difficult to understand that language, although I have heard it so often perhaps I am getting used to it. The receipt of grain under the five-year pool will end on July 31 next. As soon as that grain is sold a settlement of the pool will be made, I hope some time in October. I believe that is as soon as it can be made. A great effort will be made to make the settlement within this calendar year, as I have promised the house before. When the final returns for the pool can be ascertained a settlement will be made, and the members of the house as well as the general public will be advised what that settlement is. At the moment I am not in a position to discuss it. I am sure my hon. friend knows less about the situation than I do, and I can assure him he is in no position to discuss it.

Mr. Argue: I am not asking the minister to tell me what the final settlement will be. All I am asking is this. Is the government considering making a final settlement over and above the actual cash surplus on hand in the five-year pool at the end of July?

Mr. Howe: The government will consider a supplementary payment at the time that it is making a settlement of the five-year pool. All considerations will be taken into account at the one time.

Item agreed to.

Wheat and grain division—

439. To provide for the Canadian government's annual assessment for membership in the international wheat council, $25,577.

Mr. Wright: With respect to item 439, the matter to which I wish to refer has to do with the inspection department of the grain board under the Canada Grain Act. I have had a number of complaints recently of the quality of western feed grain being shipped to eastern Canada. I know the standards that are required for the various grades when we sell, for instance 3 C.W. oats and No. 1 feed oats and 3 C.W. barley or No. 3 barley. If the reports that are received from the purchasers in eastern Canada are correct, there must be mixing of those grades somewhere between the time they leave the country elevator in western Canada and the time they reach the farmer in eastern Canada. It is my understanding that under the Canada Grain Act there are certain standards for various grades of grain, as regards both in-turn standards and out-turn standards being shipped from Port Arthur and Fort William. I would ask the minister if the standards for the grades of, let us say, 3 C.W. oats as they are sold on the farm are the same standards as are used for that same grade as sold to eastern buyers.

I understand that the standards are practically the same and that, if mixing takes place, it is most likely that it takes place after the grain has been bought by the eastern dealers, and that it is mixed before it is

sold to the farmer. I think we should have some assurance from the minister with respect to these grades.

Just recently, for instance, a man came to me and said that a shipment of Argentine oats that had been brought into Canada just recently was of a better quality than a similar grade of Canadian oats. If our standards are maintained, or if the grades are maintained on those oats that are sold in western Canada until they reach eastern Canada, I know that our grades will compare favourably with the standards of oats or any other feed grain grown in any other part of the world. If there is mixing taking place, I think we should be able to find out under this item where it is taking place, and I think it should be stopped.

Mr. Howe: I might say incidentally that the hon. member's friend who told him the quality of Argentine oats was better than that of Canadian oats perhaps did not have the facts to back up that statement, because no Argentine oats have been delivered in this country as yet. That shipment is not due until July 15. So my hon. friend can tell him that perhaps he does not know what he is talking about.

Mr. Wright: He had samples.

Mr. Howe: I can say, however, that Argentine oats do not rank with Canadian feed oats in quality. They are well below that grade. However, the standards of feed grain are exactly the same in western Canada as they are in eastern Canada. As it passes through the board facilities, the grain is inspected at the lakehead, using exactly the same standards that apply as when the grain is bought in the country. If the grain is shipped to a board elevator in the east—that is the board of grain commissioners' public elevator—the standard of shipment out of that elevator is exactly the same as the standards in western Canada. But my hon. friend will appreciate the fact that the board of grain commissioners has no control of grain once it passes into distribution in the province of Ontario. Its handling is then a matter for provincial legislation. We have not the complementary provincial legislation in Ontario that we have in the three western provinces. Therefore anything could happen to the grain from the time that it passes out of the board's facilities into the system of distribution.

Mr. Wright: That is exactly the answer I expected the minister to make, and I think that is correct. If there is mixing taking place with respect to this grain, I think that it takes place after it reaches the province of Ontario here and after it goes out of the hands of the board of grain commissioners and out of the hands of the wheat board. It is up to the eastern provinces themselves to set standards for their feed grain which will protect their own farmers.

Mr. Macdonnell (Greenwood): Will the minister say something about the international wheat council which we pay $25,000 to belong to? Just what have been its duties in the past and what can we expect from it in the future?

Mr. Howe: The international wheat council is the regulatory body that administers the international wheat agreement. The wheat agreement came into effect only on July 31 last. The council administers all international transactions. All transactions under the agreement are registered by the council. The council notifies participating countries when they have taken up their full quota. If any exporting country wishes to put grain, as it has a right to do, under the agreement, the allocation of that grain is made by the central council. It is an important administrative body in the world grain trade and one in which Canada is glad to claim membership.

Mr. Macdonnell (Greenwood): Does our British agreement go through it?

Mr. Howe: No. That agreement is registered under it, but the agreement with Britain was a bilateral one that carried over from the days before the international agreement. After July 31, all our transactions will be made through the council instead of by bilateral agreement.

Item agreed to.

Canada Grain Act—

440. Administration, $124,190.

Mr. White (Middlesex East): The minister will recall that one May 31 I was asking some questions with regard to an extension of the Canada Grain Act to apply in southwestern Ontario. The growers and I appreciate what the minister had to say at that time with a view to extending it at the next revision of the Canada Grain Act. Since that time I have found that certain things have already been done in southwestern Ontario under the Canada Grain Act, and it would appear that it would apply in that area without any amendments or changes to the act. I am just going to draw this to the minister's attention. I am referring to the statement of the minister in answer to a question of mine on May 31, as reported at page 3035 of *Hansard:*

Mr. Howe: It includes white beans, so-called. Soybeans are graded by the province of Ontario, assisted by the Department of Agriculture of the federal government. It is questionable whether the

board of grain commissioners would have the constitutional authority to grade grains which are grown and consumed in the one province. The board of grain commissioners handles grain that moves in interprovincial traffic or for export.

He doubted whether it would apply in domestic trade. Then on page 6 of the annual report of the board for the year 1938, the following statement appears:

Inspection Services in Western Ontario

In response to requests from the corn growers of western Ontario on September 15, the board opened an office in Chatham and inaugurated voluntary inspection service in this region for the purpose of grading corn and other grain grown.

Then on page 8 of the annual report of the board of grain commissioners for the year 1942, we find this statement:

Grading of Soybeans and Flax

Under order in council P.C. 2799 dated April 10, 1942, the Canadian wheat board was authorized to purchase soybeans, and requested the board to make provision for the grading thereof.

After discussions with representatives of the producers and handlers, the board prepared specifications for the different grades of soybeans and these were authorized by order in council P.C. 6125, dated July 16, 1942.

To give you some idea of what is being handled through the Chatham office, the eastern grain division reported that at Montreal there were 1,590 cars inspected; at Toronto, 2,033 cars inspected; while at Chatham there were 8,337 cars inspected. That will give some idea of the volume of business there. I hope that he will look into the desires of the growers in southwestern Ontario, and make the Canada Grain Act applicable to that area. Will the minister give us an answer to that at least?

Mr. Howe: I am aware that the board of grain commissioners inspect eastern grain, but I understand such inspection is voluntary. That is, any shipper can have his grain graded by the board of grain commissioners if he wishes, or not, if he does not wish to. I understood the remarks of my hon. friend were applied to compulsory grading of eastern grain. As I understand the situation, it is not compulsory; it is voluntary. It is a service the board of grain commissioners offer if anyone wishes to take advantage of it. Is that correct?

Mr. White (Middlesex East): It would not be too difficult to make it operative in western Ontario. They would not have to amend the grain act to do that.

Mr. Howe: We would have to get the permission of the province of Ontario. I doubt whether we have the constitutional jurisdiction to impose compulsory inspection in Ontario.

[Mr. White (Middlesex East).]

Mr. White (Middlesex East): You work on that, and I will also.

Mr. Howe: Yes, quite.

Mr. Knight: Can the minister give a brief definition of the duties of the board of grain commissioners?

Mr. Howe: This is the definition in my book: For necessary services provided under the provisions of the Canada Grain Act in connection with the supervision and handling of grain from delivery at country elevators to delivery to vessels for export, including the licensing and bonding of elevators and grain dealers; sampling, inspection and grading of grain; setting of standards or grades of grain; weighing the grain at terminal elevators; registration of warehouse receipts; collecting and collating grain statistics; maintenance of grain research laboratory and collection of fees for services rendered.

Mr. Knight: I was wondering what effect the creation and operation of the wheat board would have upon the duties of that board. I mean whether it would lessen their work or make it greater.

Mr. Howe: I doubt whether it has any effect one way or the other. The wheat board is a marketing organization; whereas the board of grain commissioners is a licensing organization.

Mr. Knight: How many assistant commissioners are there, and where are they situated?

Mr. Howe: There are three commissioners, as my hon. friend knows, stationed in Winnipeg, and there are assistant commissioners at Vancouver, Calgary, Saskatoon and Fort William.

Mr. Knowles: When this item was up for discussion on December 10 of last year I had a few words with the minister concerning the question of the five-day week for employees working under the board of grain commissioners in the inspection offices associated with the railway yards in Winnipeg. The minister may recall that I pointed out to him at that time that these people are civil servants, and that they were concerned as to why, in view of the general five-day week in the civil service during the summer, they were not given a five-day week last summer. I took it up with the minister in the middle of December although that was not an opportune time to talk about conditions in the summertime. He did point out to me then, however, that the matter was under consideration. Obviously there were certain difficulties, but I gathered from what he said —and I read it again today to check on it—

that it was a point that should be looked into and perhaps something could be done about it one way or the other. Can the minister say whether arrangements have been made for the five-day week for these inspection employees this summer?

Mr. Howe: No arrangements have been made. The trouble is that the board of grain commissioners is a servicing institution, and it must provide service whenever the services are required. It is something like the post office in that respect. My hon. friend knows that the post office does not have a five-day week either because it is required to give service on six days. No plan has been worked out—in fact I think it would be unreasonable for the employees to expect that they will have a five-day week in the busy season of their operation. Perhaps if they had asked for the five-day week in April or May, or particularly in March or April, it would be quite easy to work out. But the summer season is the busy season in the grain business. I am told that it has not been found possible to work out a five-day week for employees of the commission.

Mr. Knowles: That is substantially what the minister said when I raised this question on December 10 last, except that at that time having said that he thought it was difficult to work out a five-day week in the summertime he said that something might be done by way of time off at another time of the year in lieu of the five-day week in the summertime. I may say that that word from the minister was greeted by the employees with the hope that by this time some plan, even an alternative one, might have been devised.

Mr. Howe: If the employees would bring forward a plan that would apply to the off season of the board, not the busy season, I am sure it would receive consideration.

Mr. Quelch: Can the minister say whether or not the decision of the board of grain commissioners to reduce or to degrade Red Bobs wheat down to No. 3 was the result of criticism by the foreign customers?

Mr. Howe: Yes. Many complaints were received from abroad that the quality of wheat being shipped as No. 1 northern from the west coast was not up to the quality of the same grade being shipped from the east coast. That complaint was traced down and it was found that the Red Bobs were responsible. I believe Red Bobs are being degraded from No. 1 to No. 3.

Item agreed to.

Canada Grain Act—

441. Operation and maintenance, including inspection, weighing, registration, etc., $2,328,536.

Mr. Knight: To what extent are these government elevators being used for the purpose for which they were created? That is to say, what is their percentage of efficiency? I do not know whether that is the correct term. What percentage of their capacity is being used? I want to draw to the attention of the minister—I have done it before—the fact that the government elevator at Saskatoon is a very fine building and has a capacity of 5½ million bushels. In the last number of years since I have been a member of this house there has not been enough grain put through it to keep the machinery from rusting. I should like to know for example how much money the operation of that elevator has been costing the taxpayers of this country, and whether there is any means by which it can be used more. Now that there is a change in the market situation —it is an ill wind that blows no one good— I hope that in the future that elevator may be used more. Perhaps the minister would comment on these various questions.

Mr. Howe: I can assure my hon. friend that the elevator is being used exactly for the purpose for which it was built. I know the purpose for which it was built, because I was associated with the board of grain commissioners when it was built. It was built as emergency storage and it is being used for that purpose. When the grain backs up so that it cannot be handled through the normal export channels—I mean the normal channels that move grain from the farm to market—then interior storages are filled, and interior terminals are very handy for that purpose. That is the purpose for which they were built, and that is the purpose for which they are being used. But my hon. friend would not expect me to subordinate the marketing of grain to the use of any storage in elevators. The grain must move to market expeditiously; it must be put in position so that it can be sold without any side interests being concerned, and that is being done. I think perhaps the elevators will be used this year because there seems to be a promise of an exceptionally large crop. If that large crop does develop, as I believe it will, these interior storage terminal elevators will be used for the purposes for which they were built, emergency storage.

Item agreed to.

Canada Grain Act—

442. Canadian government elevators, including equipment (revote $144,628), $741,085.

Mr. Macdonnell (Greenwood): Where are these elevators located and do they appear anywhere as a government asset? I have not been able to find them in the statement given us by the Minister of Finance, although I have not read it through as carefully as I might have. Will the minister give us some information as to their capital value and as to just what this item covers?

Mr. Howe: It covers the handling of grain at elevators at Calgary, Edmonton, Moose Jaw, Saskatoon and Lethbridge. The board also administers an elevator at Port Arthur which is under lease at this time to a grain company. Under the peculiar system used by the government in these matters, the receipts from these elevators go into a different account and do not appear in these estimates.

Mr. Macdonnell (Greenwood): Why don't you change that?

Mr. Howe: It would reduce the size of the estimates considerably if we did, but that does not come within my jurisdiction.

Mr. Macdonnell (Greenwood): Were they built by the government?

Mr. Howe: Yes.

Mr. Macdonnell (Greenwood): Will the minister tell us how much revenue there actually was under this quaint system of accounting?

Mr. Howe: Since these elevators have been built they have returned a profit which has completely amortized their cost. I happen to know that although that fact does not appear in this item. The total grain handled last year amounted to 3,031,809 bushels, of which 2,227,703 bushels were handled at the Calgary elevator. The net result of the operations for the fiscal year ending March 31, 1949, was a deficit of $222,565.11, as compared with a deficit of $131,282.90 in the previous fiscal year. When there is no emergency the handlings in these elevators are quite small, but once we have a surplus crop, the elevators earn money very rapidly. Over the years they have proved a profitable investment.

Mr. Bater: I want to commend the minister for the reply he made to the hon. member for Saskatoon. I live close to that elevator the hon. member spoke of and I know that the western farmer is pleased that that elevator is not full all the time. That indicates that our wheat is moving.

Item agreed to.

[Mr. Howe.]

Terminable services—

444. To provide for the liquidation of contracts, including commitments of previous years related to the acquisition of assets operated by the Department of Reconstruction and Supply or an agency of the Department of Reconstruction and Supply; and for miscellaneous and unforeseen expenses, $250,000.

Mr. Macdonnell (Greenwood): Is this a case where one government department is buying from another?

Mr. Howe: This covers the remainder of the job of liquidating war contracts. There are several cases before the exchequer court which have not been decided. We spent only a small proportion of the $400,000 appropriated last year and this is carried over in order to dispose of contracts that had to do with the department of munitions and supply and which were entered into during the war years.

Item agreed to.

Terminable services—

445. To provide for production and transportation subsidies on steel and iron under such terms and conditions as may be approved by the governor in council, $2,000,000.

Mr. Green: Will the minister explain this item?

Mr. Howe: This is part of the transition of the wartime steel structure into peacetime and it is hoped that this will be the last time this item will appear as we expect to liquidate the subsidy situation by March 31 of next year. Through these subsidies we have been able to integrate the steel capacity of Canada and use it to the maximum. We did it first to overcome a difficult supply problem and we are doing it now in order to have the full use of these facilities, at least until the end of this year.

The assistance policy has had a pronounced effect on prices with the result that Canadian prices are lower than Pittsburgh prices, something unknown in pre-war years. Low prices for steel have played an important part in stimulating industry, both for internal distribution and export. At the present time we pay for the movement of semi-finished steel from Sydney to Hamilton and from Sault Ste. Marie to Hamilton, the purpose being to make sure that that semi-finished steel is produced to full Canadian capacity in the first place, and finished in Canada, in the second place, in order to make full use of all the finishing capacity in the country.

Mr. Green: Has the government any plans in mind for increasing steel production in Canada and building up a balanced and complete iron and steel industry? I ask that because of two developments that have

occurred, the one at Steep Rock, Ontario, where it is expected within a few years they will be producing 7 million tons of iron ore a year, and the other the development in northern Quebec and Labrador. From what appears in the press it would appear that big changes are about to take place in the iron and steel industry of this continent. I have here a dispatch which appeared in the *Financial Times* of June 23 which reads:

American Steel Industry to be Revolutionized by New Iron Ore Sources

Huge deposits being opened up in Ungava-Labrador and in Venezuela will mean move of steel plants to Atlantic seaboard; speeding up in New Quebec-Labrador project important.

I am not in position to state whether or not that report is accurate, but it would appear that there are tremendous possibilities for Canada. I wish the minister would state whether there is as yet any government policy for the increase of our iron and steel production. For example, will it be possible to use this Canadian iron ore to increase the production of steel on Cape Breton island, and would it be possible to erect steel plants along the St. Lawrence river. What does the minister think are the possibilities brought about by this immense body of ore in northern Quebec and Labrador as well as the development at Steep Rock? To a layman it would appear that Canada is on the threshold of a tremendous development largely because of these resources and I would like the minister to give us some information as to just what the future may hold for Canada in this regard.

Mr. Howe: The Canadian steel industry has more than doubled in the last ten years and it continues to expand. New blast furnace capacity is at present being built in Hamilton and a new finishing mill is being installed at Sault Ste. Marie. The industry never stops expanding. It attempts to take care of Canadian requirements, and I am sure that it will succeed in doing so. As I say, great strides have been made in the last several years. The policy of the government has been to make that development possible. We helped the industry by subsidy over a difficult period, and the reason that we are stopping the subsidy at the end of this year is that the transition is being made, plants are getting into balance, and we think government-assisted interchange of primary steel between plants will no longer be needed for this year. We have been net importers of iron ore through the years. We are coming into the position of a net exporter, for which I am very happy, and the larger the exports are after the needs of Canadian industry have been supplied the happier I shall be.

Mr. Graydon: Would the minister care to comment upon the statement he made last fall in which he indicated that the discoveries of large iron ore deposits in Quebec and Labrador in all probability would mean that the St. Lawrence deep waterway project was going to be started very soon. I have not his exact words, but I know that was the effect of the statement he made. Will he indicate to the committee whether, in his opinion, it is likely to have that development?

Mr. Howe: My hon. friend knows the difficulty about starting the St. Lawrence development. He knows that we signed a treaty to do our part many years ago, and we are waiting for the United States to sign a treaty. As soon as it is signed the work will commence. I think what I suggested in my earlier discussion was that the iron ore in Labrador will create large tonnage traffic in the opposite direction from the present flow of traffic in the St. Lawrence canals, and that balanced traffic should be an inducement to assist in the financing of the waterway.

Mr. Adamson: The iron ore has to be smelted in the upper lakes region.

Mr. Graydon: Have you made any representations to the United States government?

Mr. Howe: I have indeed, and I have the assurance of several members of their cabinet that it is the wish of the administration that this legislation be enacted. I feel sure an effort will be made to obtain the legislation while the present administration is in power.

Mr. Green: Is there anything in the suggestion in the *Financial Times* that the United States steel industry is likely to move to the Atlantic coast?

Mr. Howe: I would not believe it on the strength of the say-so of the *Financial Times*.

Mr. Green: Is there a possibility of that happening? Is that the trend, not only because of Canadian iron ore but also because of the Venezuela ore?

Mr. Howe: I have in mind that it costs at least three times as much to build a steel plant today as it did in pre-war days. I doubt very much if even a country as wealthy as the United States could do away with the steel plant in Pittsburgh and build a new steel plant on the Atlantic coast, with no greater inducement than a lower freight rate on its iron ore.

Mr. Gillis: The decrease of $5,750,000 in that one item is quite a sizeable amount. What I should like to find out is whether all of the $7,750,000 was spent last year?

Mr. Howe: Yes, practically all.

Mr. Gillis: How was it allocated between the three operating companies, Algoma, Dosco and Stelco?

Mr. Howe: It was not allocated to companies. It was paid out largely as a freight subvention. If steel moving to Hamilton was bought f.o.b. Sydney the government paid the transportation, and it was sold at the Sydney price f.o.b. Hamilton. It is like the coal subvention which is paid to the railways. I am not sure that the steel subvention was paid directly to the railway, but that was the effect of it. It was the rail rate that was subsidized rather than any particular company. Last year there were certain scrap subsidies. Companies that had to go abroad for scrap, or had to go into uneconomical areas, were subsidized for their scrap movements. In other words, if prairie scrap had to be moved to Hamilton or Sault Ste. Marie, or foreign scrap had to be moved into Sydney, it was subsidized, but the scrap subsidies were suspended at the end of the last fiscal year.

Mr. Gillis: I had a return on the subsidy that Dosco received, and it was somewhere in the neighbourhood of $1,500,000. None of this money was used for plant expansion at all?

Mr. Howe: No.

Mr. Gillis: And you think $2 million will be adequate to subsidize the movement of steel?

Mr. Howe: Yes, we think so.

Mr. Gillis: I am interested in this item because I am interested in steel, which is one of the basic industries of Nova Scotia, With regard to what the hon. member for Vancouver-Quadra had to say about the possibilities of steel in the future on the Atlantic seaboard. I am not very much impressed with the forecast that the iron ore deposits in Newfoundland are going to benefit Canada to any great extent. I made up my mind on that point in 1947 when the present Postmaster General was piloting a bill through the house to grant rights to certain exploration companies not only to explore deposits in Quebec and Labrador but also to develop railroads, bus lines, hotel facilities and so on over the period of the next ten years. I made up my mind then that, so far as Canada was concerned, she was selling her future rights to the ore in those areas.

There were a couple of members who tried to tell the house at that time as best we could that all we were doing was granting a franchise to Canadian companies fronting for United States capital. The tie-up with United States companies such as M. A. Hanna, National Steel and others was quite apparent. If you will go deep enough I think you will find that the stock in Canadian steel companies is largely held in the United States. If we are going to tie the two countries together in that way it is all right, but I opposed that kind of thing at that time as a Canadian who wanted to see Canadian resources developed for Canadians. I think you are three years too late in hoping that the great ore deposits of Labrador and Ungava will mean very much to us.

I believe that there will be a swing of some of the United States companies to the Atlantic seaboard. I know that at least one company is establishing a large fabricating plant in the eastern states. Unless there are drastic changes in our thinking on that matter, I think we are too late so far as iron ore and the future of steel production in Canada is concerned. We have already sold our rights for a period of ten years at least. I was wondering why there should be such a sharp drop in this item because if a subsidy of $1,500,000 to Dosco was necessary last year to transport its raw steel to central Canada the other steel companies are not going to get very much out of the $2 million. About all that Dosco is doing is producing raw material and shipping it to Quebec and Ontario for processing to be sent somewhere else. I know that a subsidy is necessary to move steel from eastern to central Canada, and I was wondering if the cut was not a little too drastic.

Mr. Howe: My hon. friend says if the material is exported no benefit to Canada ensues. Aluminum is a raw material produced in Canada, of which 95 per cent or possibly 97 per cent is exported.

Mr. Green: That is manufactured, is it not?

Mr. Howe: Well, it is smelted, just as copper is smelted.

Mr. Green: Bauxite is the raw material.

Mr. Howe: And that is imported into the country. The only thing the aluminum company uses in this country is water power; everything else is imported. It is said that we export our power in the form of aluminum; but that industry supports some twenty-five thousand employees, and we receive about $20 million a year in taxes. There we have an industry that has spent a few hundred million dollars in the Saguenay district and is prepared to do the same thing on the west coast. So I do not think there is any great loss to the country because of the fact that 97 per cent of the aluminum coming from that plant is exported.

In the same way you might say the Noranda copper mine is a perfect example of

the loss of Canadian resources. I suppose 70 per cent of the copper coming out of that mine goes out of the country. Nevertheless it is the centre of a great industrial population, and I cannot see that because the primary copper is largely exported from the country my hon. friend should say that an industry of this kind is of no benefit to Canada. The development of the Labrador iron ore deposits will create a source of that product in Canada, which will be available to Canadians if it is required. After all, Canada owns that resource, whatever the source of the money going into its development. As long as it is situated in Canada that resource belongs to this country and is subject to our law, whether emergency or ordinary legislation. I would call the attention of my hon. friend to the fact that about $250 million of somebody's money has to be invested in that operation before a hundred tons of ore are delivered at seaboard. In other words $250 million has to be invested before there is any return whatever from the property. Does my hon. friend suggest that an investment of that amount in an undeveloped area of Canada is not good for the Canadian economy? If he does, I must say I cannot agree.

Mr. Gillis: I did not say this industry was of no benefit. At the same time, if we are just planning to continue to be hewers of wood and drawers of water for the United States, we are not thinking very far ahead. I am not satisfied with that. The aluminum industry, as a straight exporter of raw materials, may bring in $80 million or $180 million a year, but I think we should at least make a start in building an industry that will process our own raw materials in our own country. I believe we should regard it as a trust to develop this country to the best of our ability, thinking in terms of the coming generation.

I am not satisfied with the automobile industry. We have steel, copper and all the materials that go into the manufacture of an automobile. We are exporting these materials to the United States, and in Canada we have plants which are assembling automobiles. If I go to Windsor or Oshawa to buy a car, I pay from 35 to 50 per cent more than it costs in the United States. What is wrong with our making a start, somewhere in this country, on building up a Canadian automobile industry, and knocking off that tariff which is put on at the border to protect those who are exporting raw materials from this country? I think that is wrong. While we may be getting something out of the materials we are sending out of the country, we are not getting as much as we would if we had an industry that would process our own raw materials.

I am thinking in terms of that steel plant at Sydney, which produces a third or a fifth of Canada's raw steel. As a nation we are not losing anything on that operation because there are fabricating plants in central Canada; but that material is exported from the maritimes and processed in this part of the country, and then if we want to use some of the finished product down there we have that long freight haul to contend with, which adds to the cost. I want to see a tinplate industry built around that plant at Sydney. I believe the sheet mill that was operating during the war should have been continued, because we are importing ninety per cent of our steel plate from the United States, and there are all kinds of possibilities for small investments in the maritimes to build an industry around that mill.

Fertilizer is another matter. I know the minister remembers that during the war, through the department of reconstruction and supply, he spent quite a bit of money in research at that plant in connection with fertilizer. The research has been done, and I believe it should be possible to establish a fertilizer plant where we had one previously. That plant was moved out. Instead of a plant there, we are subsidizing the freight cost on fertilizer moving to the maritimes, and then when the farmer gets it he must pay an exorbitant price.

I am not being critical of the minister; perhaps during the period through which we have gone it was necessary to do things that way; but no one can convince me that we did right by handing over the leases for the Ungava and Labrador resources, after we had done the exploration work for ten years. It seems to me $250 million would have been a small investment to protect the future of this country in that area. I do not believe it could not have been obtained in this country. I believe that with the proper encouragement and sales talk by dominion and provincial authorities, that money could have been found as risk capital. In the final analysis, it seems to me that whole project could have been financed through the Bank of Canada. During the war when the minister of munitions and supply, who is now the Minister of Trade and Commerce, wanted a munitions plant put up, or a gun factory, he did not think about the cost. He just decided it had to be done; he asked if we had the material and the people to operate it, then supplied the credit to put up the plant and get it going. He did an excellent job, and I believe he could have done the same thing in connection with this Ungava development. I am sure $250 million could have been found in this country, but we have sold the birthright of

future Canadians in that area and one of our basic industries will be undeveloped, because I am convinced that the future of steel is on the Atlantic seaboard; and we have lost control of it.

Mr. Howe: My hon. friend suggests that Canada does nothing to develop a steel industry here, that we are simply hewers of wood and drawers of water for the United States. I suggest that Canada built her steel industry and had other people as hewers of wood and drawers of water. There was no iron ore in Nova Scotia when the Dominion Steel plant was built. You had to go to Newfoundland, a foreign country, for your ore. There was no iron ore on the Canadian side of the great lakes when the great steel industry at Hamilton and Sault Ste. Marie was developed. All that ore was obtained from the other side of the great lakes. In other words the United States were the hewers of wood and drawers of water for Canada, as far as iron ore was concerned, until two or three years ago. On balance it is probably supplying us with more iron ore today than we are giving it. I have never heard public men in the United States complain of being hewers of wood and drawers of water for Canadians. They were very glad to sell us their surplus iron ore, just as I think we are very glad to sell them our surplus. Certainly we will have a steel industry that will be based on the requirements of this country, and our steel men will be delighted to put in the capacity to the full extent they are able to sell the product. They always have been, and they will continue to be. If we can develop a greater capacity for the iron ore, we will be delighted to sell it abroad just as we sell our wheat, and a good many other raw materials. We are not hewers of wood and drawers of water for Europe just because we sell our surplus wheat in Europe. I think that applies to any of our raw materials, whether it be iron ore, copper, lead, zinc, or anything we produce in quantities above what we are able to consume in this country.

My hon. friend speaks of the automobile manufacturers being assembly plants. I would suggest to him that approximately 80 per cent of the automobiles made by the three principal companies in Canada are Canadian products. In the vicinity of those automobile plants, he will find a great many subsidiary plants that are making parts for these automobiles. If they are assembly plants, then they are assembling materials that are 80 per cent Canadian finished.

Mr. Green: Would it not be possible for Canada, because of these huge deposits of iron ore, to develop a steel industry which could export steel? Could we not produce steel which would form a foundation upon which we could provide jobs for many millions more people than we have at the present time? Could we not only meet our own requirements, but also export steel and bring more people here because of this resource?

Mr. Howe: I do not know where we would find an export market for any great volume. Every country tries to be self-sufficient in steel. We could not export to Great Britain, or to the continent.

Mr. Green: What about Asia?

Mr. Howe: What part of Asia would my friend suggest, and what would they use for money?

Mr. Green: Over the long run?

Mr. Howe: Over the long run we may try to do it, but I think today if we look after our Canadian requirements for steel we are taking care of the market that is open to us.

Mr. Green: If the St. Lawrence waterway is built, will that mean there will be new steel plants on the Canadian side of the great lakes, lake Ontario or lake Erie, or would practically all that iron be used on the United States side at the present steel ports? Will it mean any development of a steel industry in Canada, or will it merely mean the sale of the raw iron to the United States, replacing the iron ore from the Mesabi range?

Mr. Howe: Mr. Chairman, a prudent manufacturer makes what he thinks he can sell. He does not ordinarily worry about the raw materials, so long as he can get them at reasonable prices. That is the easy part, but the difficult part is to sell the product he undertakes to manufacture. I can tell my hon. friend that if there is any Canadian entrepreneur who thinks he can sell more steel than he is selling at present, the chances are that he will make it because that is where his profit comes from. My hon. friend is just as competent as I am to decide how much more steel a manufacturer is capable of making. I hope he is not suggesting that we should process in Canada every ounce of iron ore produced in Canada?

Mr. Green: No one is suggesting that.

Mr. Howe: That is the result of your "Canada first" argument.

Mr. Green: If we are going to get into this "Canada first" argument, it will be a real one. I am not arguing that all of Canada's iron ore should be turned into steel in Canada. I quite agree that the surplus must be sold. But here we have these tremendous discoveries, and I am hoping that they can be the cause of a tremendous development in

Canada, and the magnet which will attract a great many people to our shores. What worries me is whether that is the objective of the government or whether the only objective is to sell iron ore to the United States?

Mr. Howe: The government shares your hope.

Mr. Green: I am glad that they do. They are waking up at last, perhaps.

Mr. Black (Cumberland): I know the people of Nova Scotia appreciate the subsidies that have been paid out in recent years to assist in the movement of coal and iron from Nova Scotia. I am in agreement with my fellow member from Nova Scotia, the member for Cape Breton South, that we should encourage the processing of these raw materials in Canada. That is one of the main complaints of the people of Nova Scotia, and it applies to what has been done under this subsidy. Our steel and iron produced in Nova Scotia are largely shipped in crude form to places in central Canada. We should have the refining plants near the source of production in Nova Scotia, so that we would derive greater benefit from these resources. I do not know what price is paid, probably $40 or $50 per ton for this crude steel, whereas it would be worth several hundred dollars per ton in finished form. In Nova Scotia and Cape Breton there is a large surplus of labour. Many of the younger people have not been able to get employment. If these crude iron materials were processed in our locality, it would give a great volume of employment.

In any event, it is a fact that the large portion of this material has been shipped away during the war years and since, so I suppose we have to be thankful for what has been done. I should like to ask the minister if he has any misgivings as to the importation of steel into Canada, owing to cheaper labour and depreciated currency in European countries? That would make it difficult for our own steel and iron companies to compete with these importations from Europe. I feel the European industry has now reached the point where it is about to menace the manufacturers in Canada.

Mr. Howe: Mr. Chairman, there is no indication at present that Canadian industry is not well able to compete with European competition. Dosco has no difficulty competing with British steels in the British Columbia market, and that has always been a competitive area for the Canadian steel industry. Dosco has taken several orders away from European competition entirely on a price basis. The prices quoted are the Canadian f.o.b. price plus the water freight from Dosco to the west coast. The reason we have been cutting down the subsidies, and plan to do away with them entirely at the end of this fiscal year, is that conditions are coming back to normal. For some years it was impossible to ship by water freight owing to the scarcity of tonnage and high freight rates. Today freight rates are back to normal, and there is ample tonnage. The markets that were normal markets for Dosco are opening up under conditions similar to those prevailing before the war. We feel that we have bridged over the transition period and allowed the steel plants to function as they did in pre-war days.

Mr. Adamson: Can the minister say where the steel for the pipe line came from in British Columbia? That was something that was brought out in the committee.

Mr. Howe: The pipe line from where?

Mr. Adamson: The oil pipe line.

Mr. Howe: From Alberta to the lakehead?

Mr. Adamson: Yes.

Mr. Howe: All the 16-inch pipe was made in Welland of Canadian steel. Unfortunately that is the upper limit of capacity for the plant and therefore the 20-inch pipe had to be bought in the United States or fabricated in the United States, although all the steel plate that Canadian manufacturers could supply was made in Canada and shipped over to the United States for that purpose.

Mr. Green: Is that for the portion of the pipe line which is laid in the states as well or only for the portion laid in Canada?

Mr. Howe: No, the portion that is laid in Canada.

Mr. Black (Cumberland): I should like to ask the minister whether, if the subsidy that was paid for transporting steel from Nova Scotia could have been applied toward the processing of that steel in Nova Scotia instead of shipping it to steel plants and other plants in central Canada, it would not have resulted in building up those processing plants in Nova Scotia. I understand that a considerable portion of the subsidy was paid to transport this material from Nova Scotia to central Canada to be processed there rather than in Nova Scotia. The question I ask is this, and I repeat it. Could not that subsidy be applied towards assisting in the erection of plants in Nova Scotia to do the processing and thus avoid shipping this raw material to central Canada?

Mr. Howe: Up until a few months ago this subsidy was applied to the shipping of finished steel from Dosco into central Canada. In other words, when conditions were abnormal we changed the geography of Canada to the extent of placing the Dosco plant in Montreal

as far as marketing in Canada was concerned. We absorbed the freight rate on the finished product between Sydney and Montreal. As I say, that procedure has been discontinued for the reason that distribution of finished material is taking its normal pattern now. The distribution of semi-finished steel from Dosco to plants owned by Dosco in other parts of Canada has been discontinued. The only subsidies that are now being paid are on semi-finished materials that Dosco are not able to finish, for the reason that they have not the capacity to do so; that material includes certain slabs, billets and certain pig iron that are surplus to their finishing capacity. We pay a subvention on that material to transport it to plants under different ownership who have surplus finishing capacity, and allow it to be converted there and to be put into channels of trade without raising the price of other materials being converted in the same plants.

Mr. Black (Cumberland): As I understand, large payments were made in the way of subsidy to bring a considerable tonnage from Nova Scotia as far as Hamilton so that it could be processed there.

Mr. Howe: A fair tonnage, yes.

Mr. Black (Cumberland): I was asking why the subsidy could not apply to encouraging the establishing of processing plants in Nova Scotia—we have suffered from that situation for years and years—rather than be a subsidy to move the raw material as far as Hamilton, for refining and processing there.

The Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Macdonnell (Greenwood): No. I should like to ask a question.

Mr. Black (Cumberland): I should like to get an answer.

Mr. Howe: Of course a good deal of the company's money and a good deal of the government's money was spent in enlarging the facilities in Nova Scotia both for primary steel and for finished steel. A good many mills were enlarged. New blast furnaces were installed. Just how far that procedure can go is limited by the profitable markets that can be found for the finished steel in normal times. That is a matter for the management to decide. I do not think any government can decide that. But we were simply taking care of the transition from a state of war to a state of normal distribution in the steel industry.

[Mr. Howe.]

Mr. Macdonnell (Greenwood): Following the question asked by the hon. member for Cumberland, may I ask if it is not true that during the last war the coal industry, the steel industry, in fact the whole Sydney situation, to some extent suffered because of the, let us say, strategic necessity? At any rate, they did not derive the same benefits as did central Canada from the development they had. I think the hon. member for Cape Breton South spoke about a fertilizer plant coming to an end during the war. Is that correct?

Mr. Howe: No fertilizer plant that I know of came to upper Canada from Nova Scotia during the war.

Mr. Gillis: No, not during the war. It was quite a long time before the war.

Mr. Howe: When I was still a boy, I think.

Mr. Macdonnell (Greenwood): No, not as long ago as that. I was there when it was working.

Mr. Gillis: In 1932.

Mr. Macdonnell (Greenwood): The minister has been given some new powers. Not all of us helped him to get them, but he has them at any rate; and we are later running into the situation where in spite of ourselves the government is going to have influence on development. It seems to me that it would be a proper thing to bear in mind the needs of the east coast as suggested by the hon. member for Cumberland.

Mr. Howe: I can assure all hon. members that the government will go much further in developing industry in the less industrialized areas than it will in the industrialized areas. We have done things for industry in the maritime provinces and for industry in the prairie provinces that we would not think of doing for the same industry in Ontario or Quebec.

Mr. Adamson: The minister spoke of blast furnace capacity. Has he any information or any estimate of what the increase in blast furnace capacity in the basic steel industry is likely to be in the next year or two?

Mr. Howe: I think there is another 800 tons a day going up at the moment.

Mr. Adamson: Where? At Hamilton?

Mr. Howe: In Hamilton.

Mr. Adamson: And at the Soo?

Mr. Howe: No new blast furnace capacity at the Soo; new finishing capacity at the Soo.

Item agreed to.

Terminable services—

446. To provide for research and development of jet engines and aircraft, $1,600,000.

Mr. Macdonnell (Greenwood): If there is no security reason against giving the information can the minister tell us just where this research work is to be done?

Mr. Howe: Yes. That work is being carried on at A. V. Roe in Toronto.

Mr. Graydon: In Malton.

Mr. Green: Peel county.

Mr. Howe: In the suburbs.

Mr. Graydon: Toronto is a suburb of Malton.

Mr. Adamson: In the annexed suburbs.

Item agreed to.

Special—

447. To reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence, under chapter 51, statutes of 1947, $900,000.

Mr. Green: This item is to reimburse the Canadian Commercial Corporation for certain expenses. Does that corporation let contracts for housing for the forces?

Mr. Howe: It lets contracts for houses if it is instructed to do so by the Department of National Defence. If the project is being handled by Central Mortgage and Housing Corporation with their funds—then that corporation lets the contract.

Mr. Green: Why are arrangements not made by Central Mortgage and Housing Corporation to have these houses built? I asked a question, which will be found at page 3985 of *Hansard*, concerning 25 houses built at Fort St. John, British Columbia. The answer shows that they were built by Poole Construction Company, Limited, of Edmonton, at a cost of approximately $15,500 apiece, that there were no tenders called for, and that it was a negotiated contract. Then in the answer the reasons are given that there was urgency and that this firm was considered to be the only one that could carry on the work and so forth. That seems a tremendous price for houses, and I am wondering if these houses could not be built by the Central Mortgage and Housing Corporation at a much lower cost than by the Canadian Commercial Corporation letting out contracts of that type.

Mr. Howe: I do not know whether my hon. friend is familiar with Fort St. John. Carpenters and contractors in that area are not too plentiful. These were prefabricated houses, as I recall them, purchased in the Calgary area, I believe, and shipped in over the highway and erected by Poole Construction Company at Fort St. John. Everything had to be moved in over the highway. The transportation costs were a very big factor. My hon. friend may be shocked at the disparity in price between the cost of erecting houses in Calgary and erecting the same houses in Fort St. John, but I am not because it is all a matter of transportation.

Mr. Green: They were built in midwinter, I think.

Mr. Howe: Yes.

Mr. Green: Would it not be more economical to have these houses built under the direction of Central Mortgage and Housing Corporation whose business it is to build houses?

Mr. Howe: There has been a trend that way. Practically all houses built today for the army are being built by the Central Mortgage and Housing Corporation. Central Mortgage and Housing have their own problems. Sometimes they are not able to take on a rush job.

Mr. Macdonnell (Greenwood): I want to ask the minister a question with regard to the operation of Canadian Commercial Corporation. I observe that they did about $221 million of business and had 84,600 contracts, which, if my arithmetic is sound, would mean that the average contract was somewhere between $2,000 and $3,000. That would mean presumably that a very large number of the contracts would be for very much larger amounts, so that it would seem that though they have a large number of contracts of quite trifling amounts, and that would entail a terrific amount of work. Is that necessary?

Mr. Howe: I agree with my hon. friend that it entails a lot of work. But when you have an army base that army base has to be supplied with milk, bread and all the amenities. Someone has to buy it. It happens to be the job of the Canadian Commercial Corporation to do that work, and therefore there are a great many small contracts mixed with a good many large ones.

Mr. Macdonnell (Greenwood): I am not going to pursue it. I have a feeling that if the minister examined it he would find that somehow it did not need the 84,000 contracts. I will not pursue it further. I want to ask one further question. Does the minister happen to have his report there? On the second page paragraph 3 reads:

Toward the end of the fiscal year the corporation assumed active administration of responsibilities

devolving upon the Minister of Trade and Commerce in respect of the security of classified information emanating from the Department of National Defence.

And so on. Will the minister explain the nature of that duty? If I understand it, it does not seem to be a natural duty for a commercial corporation to assume.

Mr. Howe: It is the duty of the Canadian Commercial Corporation to choose its contractors; and the responsibility of making sure that these contractors and plants are approved for secret information was placed on the Canadian Commercial Corporation. Prior to the Canadian Commercial Corporation being asked to do that, the army decided that. The army simply said: "That is your responsibility; you are just as able to get the information as we are, and we will place that responsibility for secrecy on the corporation."

Mr. Macdonnell (Greenwood): Would I be correct in assuming that it is done in the same way that any government department, let us say the film board, used to satisfy itself as to the soundness of its employees; in other words, it did not set up a staff of its own.

Mr. Howe: The corporation has a small security staff. The security of a plant involves technical matters that some officers of the government must have knowledge of, and that knowledge is placed in the hands of the Canadian Commercial Corporation.

Mr. Macdonnell (Greenwood): I do not know whether this is the proper place to ask the question, but the minister can tell me. I suppose the reason there is no item in the minister's estimate for the export credits insurance is that they are separate and carry on business on their own?

Mr. Howe: Just like any other crown company, they have capital of their own. Unless they get in trouble there is no reason for them to call on the government for any funds. As a matter of fact they do not usually.

Mr. Macdonnell (Greenwood): I am going to ask the minister why we need to put up, as we will this year, considering the interest on the money we have given to the export credits, $289,000 to insure people when I would have thought that they ought to pay the cost of what they are getting.

Mr. Howe: This is simply an interim situation. Accounts which have become overdue are written off, which I think my hon. friend, who is familiar with this matter will say is prudent bookkeeping. They are written off so far as the balance sheet of the company is concerned, just as bad debts are written off in the accounts of any well-managed corporation. But there is a recovery item to be considered. As a matter of fact many commercial debts in Argentina were written off when that statement was prepared. These debts have since been paid, and a statement of the company today, instead of showing a deficit, would show a substantial profit. But unfortunately the past overdue accounts have exceeded the profits that come from business that turns out well. But I will say this to my hon. friend. That corporation was established to assist the Canadian exporter in trading around the world. If the company breaks even and makes no profit I will say that it is a success. However, the corporation has already had a profit and built up a substantial reserve even out of profits. This is the first year that it has ever found it necessary to turn in an annual report showing its earning position in red figures.

Item agreed to.

Special—

448. To reimburse the Canadian wheat board for the estimated expenses to be incurred from August 1, 1949, to July 31, 1950, the administration of delivery quotas and permit regulations, etc., $125,000.

Mr. Charlton: Is this a further cost of the wheat board?

Mr. Howe: Yes, it is a cost of services that the government to date has assumed. The quotas for country elevators were installed as a means of making it possible to market all grains, including coarse grains as well as wheat. In the past it has been the custom for the government to pay the cost of that and certain other services that are not performed directly as part of the operation of marketing wheat but had wider implications which it was felt the government should assume. But I can say that the fact that the board is now marketing oats and barley and other coarse grains for government account has rather changed the position and provision was made in the last amendment to the wheat board act which will provide that these charges should be met from the revenue of the board.

Mr. Charlton: Can the minister answer the question now regarding the amount of oats coming in from the Argentine? I understood one boatload has come in and another one is on the way. What are these oats to be sold for in this country?

Mr. Howe: I have answered that several times. It is a private transaction. I understand a private grain merchant in Canada has bought one shipload of oats from the Argentine. The oats have not arrived in this country yet. I was told they were due here about the middle of July. I know of only one cargo. There may be other cargoes, but I do not attempt to keep track of every

private transaction that occurs in industry in this country. I have told my hon. friend all I know about this transaction.

Item agreed to.

Dominion coal board—

449. Administration and investigations of the dominion coal board, $101,040.

Some hon. Members: Eleven o'clock.

Item stands.

Progress reported.

MISCELLANEOUS PRIVATE BILLS

Seventh report of standing committee on miscellaneous private bills.—Mr. Winkler.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow the estimates of all departments are ready for consideration, but we hope to call the following departments: trade and commerce, post office, resources and development, secretary of state, fisheries, national revenue, mines and technical surveys and justice.

Mr. Fleming: In that order?

Mr. Fournier (Hull): The first four in order, trade and commerce, post office, resources and development and secretary of state.

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

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

DEPARTMENT OF NATIONAL DEFENCE

Defence forces—

202. To provide for the defence forces of the navy, army and air services, and to authorize total commitments for this purpose of $579,301,670 including authority, notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $438,178,000 and commitments for future years of $141,123,670 against which commitments it is estimated that actual expenditures in 1950-51 will not exceed $384,932,304.

203. Defence research and development, subject to allocation by the treasury board and to authorize total commitments for this purpose of $27,983,161 including authority notwithstanding section 29 of the Consolidated Revenue and Audit Act, to make commitments for the current year of $24,925,361 and commitments for future years of $3,057,800 against which commitments it is estimated that actual expenditure in 1950-51 will not exceed $23,925,361.

General services—

204. Grants to military associations, institutes and others, as detailed in the estimates, $202,850.

205. War museum and erection of headstones in Canada, $48,340.

206. Battlefields memorials, $64,930.

Pensions and other benefits—civil pensions—

207. Robert Allen, $193.

208. Walter Pettipas, $516.

209. Florence Walker, $360.

210. Michael Mountain, $420.

211. Mrs. Mary Whittington, $200.

212. Mrs. Eleanor F. Nixon, $1,288.

213. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British Commonwealth Air Training Plan who were killed, payment to their dependents of amounts equal to the amounts such dependents would have received under the pension act as amended had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organizations, $9,138.

Militia Pension Act—

214. Governments' contribution to the permanent forces pension fund, $10,799,600.

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

423. Departmental administration, $482,875.

424. Commodities branch, including assistance in the development of markets and the procurement of supplies, and contributions as detailed in the estimates, $574,460.

425. Trade commissioner service including payment of compensation to trade commissioners for damage to and loss of furniture and effects, under regulations approved by the governor in council, $2,052,859.

426. Publicity and advertising in Canada and abroad, $201,315.

427. Economic research and development branch, including the conducting of investigations and reporting upon commercial relations and foreign tariffs, and the development of Canadian industry, and a contribution of $6,300 to the international customs tariffs bureau, $442,480.

428. To provide for expenses of the industrial defence branch, $60,197.

Exhibitions—

429. Exhibitions generally, including a contribution of $1,000 to the international bureau of exhibitions, $284,184.

430. Canadian International Trade Fair, 1950, including authority to refund from revenue deposits received for contracts for space (revote $115,000), $602,000.

Standards division—

431. Administration, including administration of the Precious Metals Marking Act, $106,050.

432. Electricity and gas inspection services, including administration of the Electricity and Fluid Exportation Act, $502,520.

433. Laboratory, $48,740.

434. Weights and measures inspection services, $604,595.

Dominion bureau of statistics—

435. Administration, $173,315.

436. Statistics, including contribution of $7,087 to the Inter-American Statistical Institute, $3,483,102.

Supply—Trade and Commerce

437. Census of population, including contribution of $3,543 to the Inter-American Statistical Institute committee on the 1950 census of the Americas, $1,278,838.

Wheat and grain division—

438. Salaries and other expenses, $26,450.

439. To provide for the Canadian government's annual assessment for membership in the international wheat council, $25,577.

Canada Grain Act—

440. Administration, $124,190.

441. Operation and maintenance, including inspection, weighing, registration, etc., $2,328,536.

442. Canadian government elevators, including equipment (revote $144,628), $741,085.

Terminable services—

443. Emergency import control—salaries and other expenses, $224,115.

Salaries and other expenses—

444. To provide for the liquidation of contracts, including commitments of previous years related to the acquisition of assets operated by the Department of Reconstruction and Supply or an agency of the Department of Reconstruction and Supply; and for miscellaneous and unforeseen expenses, $250,000.

445. To provide for production and transportation subsidies on steel and iron under such terms and conditions as may be approved by the governor in council, $2,000,000.

446. To provide for research and development of jet engines and aircraft, $1,600,000.

Special—

447. To reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence, under chapter 51, statutes of 1947, $900,000.

448. To reimburse the Canadian wheat board for the estimated expenses to be incurred from August 1, 1949, to July 31, 1950, the administration of delivery quotas and permit regulations, etc., $125,000.

A—Department—

Exhibitions—

781. Exhibitions generally—further amount required, $15,000.

HOUSE OF COMMONS

Tuesday, June 27, 1950

The house met at eleven o'clock.

THE PRIME MINISTER

ANNIVERSARY OF GENERAL ELECTION OF 1949

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I realize of course the reason for the beautiful flowers in front of the Prime Minister. This is a date which the Prime Minister has every reason to remember with satisfaction. I would point out that it is particularly appropriate that red flowers should have been chosen, because it is a colour I am sure he will remember for some time.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to thank the leader of the opposition for associating himself with members on this side of the house in this anniversary.

REPORTS OF COMMITTEES

Fourth report of standing committee on external affairs.—Mr. Bradette.

Fourth, fifth and sixth reports of standing committee on public accounts.—Mr. Picard.

COMBINES INVESTIGATION ACT

APPOINTMENT OF COMMITTEE TO STUDY ACT AND RELATED STATUTES AND RECOMMEND AMENDMENTS

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, some time after the appointment of Mr. T. D. MacDonald, K.C., as the present commissioner of the Combines Investigation Act, he requested that a committee be convened for the purpose of studying the act and recommending whether it could be made a more effective instrument. I have agreed with his request, and a committee has been set up accordingly comprising the following members: Hon. Mr. Justice J. H. MacQuarrie, Supreme Court of Nova Scotia, Halifax; Dr. W. A. Mackintosh, vice-principal of Queen's university, Kingston; Professor Maurice Lamontagne, assistant director of the department of economics, Laval university, Quebec; and Mr. George F. Curtis, dean of the university of British Columbia law school, Vancouver.

The terms of reference are to study, in the light of present day conditions, the purposes and methods of the Combines Investigation Act and related Canadian statutes, the legislation and procedures of other countries, in so far as the latter appear likely to afford assistance, and to recommend what amendments, if any, should be made to our Canadian legislation in order to make it a more effective instrument for the encouraging and safeguarding of our free economy.

To avoid any possible misunderstanding, I desire to emphasize that no suggestions of amendments are being made to the committee for its consideration. It is the practice, however, to take stock of such acts from time to time to see whether any modifications should be considered in the light of administrative experience, changed conditions or otherwise. It is for such a purpose that this study has been arranged.

Mr. Drew: May I ask whether what the Minister of Justice has just read incorporates the actual wording of the terms of reference; or have the terms of reference already been stated?

Mr. Garson: What I have read certainly incorporates the whole substance of the terms of reference. As formally submitted they may differ in a word or two, but there will be no significant difference in the substance.

Mr. Drew: Then I suggest that the terms of reference should include a request to the commission to ascertain what steps should be taken to deal with any member of a government who breaks a law of this parliament.

INTERNATIONAL LABOUR ORGANIZATION

TABLING OF CONVENTIONS AND RECOMMENDATIONS OF GENEVA CONFERENCE, 1949

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): In conformity with the provisions of article 19 of the constitution of the international labour organization, I desire to lay on the table the authentic text of the conventions and recommendations adopted at the thirty-second session of the international labour conference at Geneva last June and July.

FLOOD CONDITIONS

LILLOOET VALLEY—INQUIRY AS TO BREACHING OF DIKES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Has the Minister of Agriculture yet received a report on flood conditions in the valley of the Lillooet river at Pemberton, British Columbia,

where it was reported that dikes constructed under P.F.R.A. had been breached in one or two places and many acres flooded? I was in touch with the minister's office last week, but have not since heard from him.

Right Hon. J. G. Gardiner (Minister of Agriculture): The report concerning this matter came to me last week, when I was in the west. I discussed the present position with with Mr. L. B. Thomson, the commissioner under P.F.R.A., who informed me that he had been in touch with people at Lillooet and that all necessary work had been done in order to minimize the damage from flood conditions.

EXTERNAL AFFAIRS

INQUIRY AS TO SETTLEMENT OF DEBTS OWING BY EUROPEAN COUNTRIES

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the parliamentary assistant to the Minister of Finance when he intends to make a statement to the house with respect to the settlement of the debts owing this country which he made during his recent trip to Europe?

Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance): The Secretary of State for External Affairs (Mr. Pearson) spoke to me in this connection earlier this month and suggested that when he tabled the agreements or when his estimates were up for consideration I could make a short statement, if there is any desire to have it made.

CHEESE

QUESTION AS TO DECLINE IN PRODUCTION AND INCREASE IN PRICE FOR EXPORT

On the orders of the day:

Mr. H. O. White (Middlesex East): Since both the Minister of Agriculture and his parliamentary assistant are in their seats this morning, will they elaborate on the answer given yesterday concerning the requisition order for cheese and the possibility of increasing the price?

Mr. Speaker: Orders of the day.

Some hon. Members: Answer.

Right Hon. J. G. Gardiner (Minister of Agriculture): I have not read what was said yesterday, but will do so later.

CANADIAN MARITIME COMMISSION

INQUIRY AS TO ANNUAL REPORT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I ask the Minister of Transport whether it will be possible for us to get copies of the annual report of the Canadian maritime commission within the next day or two?

Hon. Lionel Chevrier (Minister of Transport): The last word I had from the commission was that the report was not ready yet. I do not know whether it will be possible to have it ready before prorogation, but if so I shall see that hon. members receive copies.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General—Dominion coal board —

449. Administration and investigations of the dominion coal board, $101,040.

Mr. Gillis: This board is relatively new, and I believe is a very important organization. We have done a great deal in the way of probing and searching the coal industry of Canada in the last few years. We had a royal commission that sat for about eighteen months and brought in a long report containing many recommendations with respect to the rehabilitation and modernization of the coal industry, particularly stressing the possibilities of marketing our coal. This board arose from that very expensive report; that was one of the recommendations of the royal commission. Of course it had been advocated in this house for many years previously, but the royal commission definitely pointed out the desirability of setting up a national coal board for the purpose of coordinating the industry across the country.

The legislation creating that board set out definite duties and responsibilities it was to undertake. It has a capable chairman, but I do not like the set-up with respect to representation from the industry and from those who produce the coal. I believe it is top-heavy with coal operators, and has very little representation from the men who dig the coal; in fact, it is four to one. Nevertheless the board has certain duties and responsibilities. It is doing some work, I admit, in the regulation of subventions, seeing that the money granted by parliament for purposes of expansion is spent properly, and so on. Meetings have been held in the coal-operating sections of Nova Scotia and New Brunswick at least, and I believe at the present time the board is engaged in a survey of the coal industry in the United States.

That is all to the good; but one definite responsibility placed upon that board has not been even touched. I refer to the responsibility of devising ways and means of

marketing Canadian coal, to put the industry in a better position than it has been for years past. That is the matter I am going to bring to the attention of the minister.

We import a huge amount of coal from the United States, while if our industry were operating at capacity we could produce perhaps one-third of our own requirements. We have made some progress by way of granting money as loans to the eastern operators for the purpose of modernizing the old collieries still in operation; and the whole trend has been to reduce costs. I am not going to argue that point, but I am convinced that it is not possible to reduce costs in the old collieries of Nova Scotia to any appreciable extent because of the long haul and the high pumping and power costs, which in my opinion are the main disabilities.

As I see it the problem has always been one of marketing. Back in the thirties and up until the outbreak of the war the industry in Nova Scotia was working two or three days per week, practically on a relief basis. When war commenced the demand for coal permitted full-time operations, but soon after the war the industry slumped back to part-time operations. Regardless of whether we increase production, the main problem so far as Nova Scotia is concerned is the problem of marketing. There are no assured markets. There is a hit or miss arrangement which prevents the operators, the customers, or the employees in the industry from making any definite long-range plan.

Before his estimates are concluded I want the minister to tell us what the dominion coal board is doing in the matter of providing long-range markets on a permanent basis for Canadian coal. On many occasions I have said in this house that that can be done only by a zoning of markets in Canada in which Canadian coal could reasonably compete with United States coal. From time to time the opinion has been expressed that there is no economic market in Canada for Canadian coal; that it is a straight matter of assisting coal operations by way of subventions or subsidies. So far as I am concerned that illusion was shattered, and I think it should be so far as the minister is concerned, in the committee on railways and shipping before which Mr. Donald Gordon appeared. The Canadian National Railways are large consumers of coal, and Mr. Gordon was questioned about the difficulty experienced by the railway because of the stoppage of work in the United States. The railways' stockpile of coal in eastern Canada was lowered to the extent that a curtailment of traffic was necessary. Mr. Gordon assured us that so far as the Canadian National was concerned there was an economic area for maritime coal which extended from Sydney, Nova Scotia, to Coteau, about thirty miles west of Montreal. That area was never planned, for the simple reason that sixty or seventy per cent of the coal stockpiled by the railways in eastern Canada is coal from the United States. No arrangement was ever made to stockpile Canadian coal in that area, where it was available and where it was economical. There was a definite lack of planning for that Canadian market, and I want to find out if there is any planning being carried out at the present time.

Mr. Gordon pointed out to us that this year the Nova Scotia and New Brunswick coal operators could not supply the requirements of the Canadian National Railways in that area. Of course this year is an abnormal year owing to the depletion of the stockpiles and the necessity for rebuilding them. I might say that my discussions with Mr. Gordon represented the first time in my experience that officials in this country have made a practical and realistic approach to this problem. I am convinced there is an area there that can be allocated to eastern Canada on a permanent long-range basis. This area would absorb the main production of the maritimes and perhaps permit an expansion in that particular section.

The Alberta and British Columbia end does not look so good. The Canadian National is displacing the steam locomotive with the diesel and is thereby cutting into the coal market. Oil is backing the coal operators out of the picture in that area. In my own province the coal industry is the basic industry, and everything else is built around it. The steam locomotive has not been displaced by the diesel in that section, and that displacement will not take place for some considerable time. Despite the progress made in the building of that type of locomotive, the roadbed from Montreal to Halifax will not accommodate a diesel at the speed it travels. It means practically rebuilding the roadbed from Montreal east, so that the market for coal is likely to be there for some time, and advantage should be taken of it.

In order that stockpiling would be possible, the area from Montreal east should be allocated to the maritime coal industry. Although I am stressing this I do not want to make a long speech, because during the last ten years the minister and I have discussed this so often that we know each other's opinions. Mr. Gordon definitely gave me a new hope, because I feel that if such a zone is established and arrangements are made accordingly with the Canadian National

Railways, it would be a long step forward for the maritime coal operators. I want to emphasize again that it is not a matter of increasing production or lowering costs; it is a matter of permanent markets which would enable the industry and the people dependent upon the industry to plan their future with assurance. I should like the minister's comments on that particular aspect of the problem.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I agree with the hon. member for Cape Breton South that the duty of the coal board is to find markets for Canadian coal. I suggest to my hon. friend that the board has been doing just that. Since 1942 the coal industry in Nova Scotia has had much wider markets available than it has been able to supply. There have been small interruptions, perhaps, because of situations that can be smoothed out and will be smoothed out, such as a member of the industry not doing the marketing at the right time. I do not know of a day lost in the coal fields that has been due to any basic lack of markets for maritime coal. At the moment the difficulty is that during this year the mines will hardly be able to produce all the coal that can be used in the maritime provinces.

The policy that is being administered by the coal board is a policy of flexible subventions, watched very carefully from day to day, and directed toward all the markets that can be found for all the coal that is mined. I believe that it is a policy that is meeting the needs of the maritime coal industry, and will continue to do so. My hon. friend is aware that the government is endeavouring to step up the production of coal in the maritime provinces. To do so the government is lending the greater part of $10 million to the industry. I suggest the government would hardly be willing to take that step without being confident it can find markets for that coal.

The hon. member suggests that a zone be kept exclusively for maritime coal. The difficulty is that if a zone is marked out and reserved entirely for maritime coal, we must be certain that the maritimes can provide all the coal needed in that zone. To mark out a zone as far west as Coteau Junction at the moment would be foolish, because we know the maritimes cannot supply much more than fifty per cent of the coal required in that area this year. Then, there is the matter of keeping alive the markets that have been developed in the past. Maritime coal has been used at Arvida and as far west as Kapuskasing. I believe the industry wishes to keep maritime coal in those markets, so that if lack of other markets should develop, those markets could be quickly reclaimed. Those are factors, perhaps not important factors, but I mention them to suggest that a rigid zoning of an area for marketing Canadian coal is not in my opinion as advantageous to the industry as a flexible market administered by a coal board that is watching the situation from day to day and enlarging the markets as the day to day situation may require.

My hon. friend mentioned the western coal situation. That situation is much more difficult today than is the maritime situation, for the reason that oil is being produced in an area alongside that which is producing coal, and there is a tendency for oil to displace coal in the markets nearest to the mines. These are the markets that are easiest for the coal industry to compete in. That situation is being watched carefully. The coal board is making an effort to find new and more distant markets to replace nearer markets that are being lost to the competitive product. Every step has been taken that I can think of to protect markets for the western industry. Nevertheless it is obvious—and I am sure it is obvious to the operators of the mines in the western area—that the production of western coal is likely to be on a reduced scale, as oil continues to make inroads into markets that were formerly held by the western coal operators.

Mr. Gillis: May I give the minister a case in point? He says he is not aware of any curtailment of operations in any section of the maritimes because of lack of markets. On Friday of last week I received a letter from the board member of the united mine workers at Inverness. That is an operation that has been carried on by the provincial government for the last twenty years. Their main market in the past has been the C.N.R. This board member wrote to me—and I sent the letter on to the coal board—to the effect that they were practically closed down, that there was drastic curtailment of operations, and that the reason was lack of demand from the Canadian National Railways. He asked me to check here to see if there was not a possibility of arranging for the marketing of that particular coal with the C.N.R. I sent that letter along to the coal board. But that is one spot that I can mention.

I might say to the minister that it is the small operator who gets caught. The big fellow can look after himself, negotiate his contracts and fix the price with the railroads; and in many cases it is a price with which the small operator cannot compete. So far as the small operator is concerned there is reason there for the board to take hold and to see if it cannot work out some reasonable

arrangements for the small operators. I am not excusing the provincial government; they are the operators. The operation is carried on to maintain a fairly large community, and for no other reason. On economic grounds I do not think it could justify itself, but on humanitarian grounds it has been operated for years. I think the provincial government should have sufficient influence with the C.N.R. to arrange a market for the amount of coal that is produced in that particular community.

Mr. Howe: The coal board is aware of the Inverness situation, as I am myself. The difficulty there is the quality of the coal produced. The railroad would be delighted to take the coal if it were up to railroad specifications, but I think my hon. friend will agree that the coal board cannot insist that a customer take a quality of coal that is not up to the standard required by the service he operates.

My hon. friend suggests that it is the small mine operator who is being squeezed. I suggest to him that the province of Nova Scotia is no small operator—

Mr. Gillis: They operate on a small scale.

Mr. Howe: —and that it is well able to market coal if the coal is of a quality that is salable. But we are aware of the Inverness situation. It is an unhappy one. The operation lost $200,000 last year, and I do not know what the outcome is to be. Fortunately the provincial government is dealing with the problem.

Mr. Hansell: I did not want to interrupt the hon. member for Cape Breton South and the minister as they were discussing this matter. I largely agree with what both have said. In his reply to the hon. member I am pleased that the minister included some remarks with respect to western coal. I am glad he recognizes the fact that the western coal mine operators are fearful that the use of oil may almost put them out of business. During the last few months there has been some considerable curtailment in the production of bituminous coal in western Canada, partly owing to the fact that the railroads are beginning to convert their locomotives to diesels. I know that we have to trust the minister in these matters. It is pleasant to hear him say that the coal board is watching the situation closely; but I do not know how much hope that sort of phraseology is going to give to the coal mining industry of western Canada. Concealed within that phraseology may be a good deal of mystery as to the future of the coal mining industry in that part of the country.

During this session the minister indicated that he was anxious to have the pipe lines bills passed. I am not going to say anything about that matter; but in his anxiety to have the pipe lines bills passed he must have also recognized the fact that even the pipe lines and the export of oil would have some repercussions in the coal mining industry. We know that we cannot stand in the way of progress. As time goes on and as civilization passes from one era to another there are discoveries and developments, and one thing supersedes another. At the same time I think it is the responsibility of government to guard industry as much as possible, even in the light of the development of new things which might displace the industries of the past. But I believe there could be another solution to this problem. Canada is not as broadly industrialized today as it might be. Nearly all the industries in Canada are fairly well concentrated in the central provinces of Ontario and Quebec. If the government, as the minister says, is watching the situation carefully, I think some consideration should be given to the greater industrialization of western Canada. The more industry we can have in western Canada, the greater will be the opportunity for the coal mining industry to survive; therein lies the opportunity, in my opinion, for additional markets for western coal. But to industrialize western Canada I know is a tremendous job. The provinces of the west are doing all they can to encourage industrialization. The government should give more tangible aid in the industrialization of western Canada.

I rose to ask a particular question, and I trust the minister may be able to answer it. When the government requires coal for its own purposes, such as the purpose of defence, at training stations and other government-operated enterprises, tenders are called for. As I understand it, the Canadian Commercial Corporation is the institution used for the purpose of preparing those tenders. I hold in my hand an "Invitation to Tender"—that is the title of the document. These go out to the various coal mining interests when it is coal that the government requires.

My attention has been called to the fact that the description given in the invitation to tender is such that certain coal mines that could supply an equivalent grade of coal, or a coal that would compare most favourably with that description, might be ruled out because the mines could not supply coal of the actual name and grade given in the description. The suggestion that has come to me, and perhaps it has come to the coal board also, is that in the description the phrase "or the equivalent grade" should be

added, thus enabling other coal mines to put in their bids and have their coal of an equivalent grade stand a better chance of acceptance. I am bringing this to the attention of the minister in the hope that he will pass it on to the coal board in some favourable light.

The document that I hold in my hand calls for quite a number of orders. Here is one for 800 tons, and the description is:

Coal—bituminous slack; 40 per cent Comox and 60 per cent Drumheller or McLeod. Suitable for use in low pressure steam boilers (stoker fired).

If the phrase "or equivalent" were added, it would not rule out some of the companies from the bids. Here is another one: 75 tons—a small order; nevertheless we have small mines too that might benefit from being able to secure an order of that kind. Here is another for 300 tons, and another for 25 tons, and so forth. I do not suppose this is the only invitation to tender that there is. There may be a great deal more coal required than what is called for in this invitation. I wonder whether the minister would give favourable consideration to this suggestion, so that other coal mines would not necessarily be obviously ruled out from bidding.

Mr. Howe: It is my understanding that public tenders specify the B.T.U. value of coal, the moisture content and the ash content; that samples of coal are tested before the purchase is made, and the best value for the money is accepted. However, I shall be glad to call the attention of the Canadian Commercial Corporation to the remarks of my hon. friend and changes can be made that will not prejudice the right of the government to obtain the best value in the coal offered. If the tenders are restrictive in any way, I will see that the situation is remedied.

Mr. Hansell: I quite agree that the government should get the very best value for their money, because they are spending taxpayers' money. I want to thank the minister for passing the suggestion on to the Canadian Commercial Corporation.

Mr. Brooks: As the minister knows, we have a very small coal area in New Brunswick. It may not be important in the general picture, but it is very important to our province. We have had difficulties right through the piece so far as operating and selling coal are concerned, although as the minister knows we supply only about fifty per cent of the coal that is used in our own province.

Like the hon. member for Cape Breton South, I appreciate what the dominion coal board has done. We have a New Brunswick representative on that board, which I think is giving very good satisfaction so far as our producers are concerned.

I might say that the only benefit that the coal operators in our province received from the Carroll commission report was the adoption of the recommendation that a dominion coal board be set up. The Carroll report mentioned many of the difficulties which we have in New Brunswick in the matter of the operation of coal mines, but I do not think it suggested any solution.

There is the general impression that subventions help the coal industry in New Brunswick to quite an extent. That was true some years ago, during the war, when we sold quite a lot of coal outside the province. But today, as the minister probably knows, the subvention that we receive for the carrying of coal in New Brunswick is very small. In 1948 and 1949 only 864 tons of coal were sold outside the province for which we received subventions. The amount we received was $693. It is practically nothing. Therefore in the matter of subventions New Brunswick is not receiving any assistance to amount to anything. In the same year Nova Scotia sold 144,332 tons of coal and received $1,008,934. My point is this, Mr. Chairman. New Brunswick coal would receive subvention assistance if it were sold outside the province, yet we have to compete with coal coming from Nova Scotia which receives subvention in New Brunswick, and the result is that Nova Scotia coal in some instances is carried to certain points of our province cheaper than our own coal can be carried. I do not know whether representations have been made to the minister, but it has occurred to me that if he wishes to assist the operators in the coal industry of New Brunswick we might be granted subventions in that province so as to place us on an equal footing in that respect with the coal from Nova Scotia. We have no objection to Nova Scotia coal coming into New Brunswick, but we would like to be in the same position as they are so far as transportation costs are concerned.

I suggest the government should exercise great care in connection with the supply of coal for public buildings in the different provinces. A short time ago tenders were called to supply coal for public buildings in New Brunswick, and the specification was for Nova Scotia coal. New Brunswick coal was not asked for. I called the attention of the Minister of Public Works to this fact and in very short time he remedied it. But in matters of this kind I suggest it should not be necessary to call the attention of the department to this situation. When tenders are

called for in New Brunswick, then New Brunswick coal should be specified.

Has consideration ever been given to assisting the transportation of New Brunswick coal in New Brunswick? What amount was paid Nova Scotia coal operators by way of subventions for coal carried into New Brunswick?

Mr. Howe: As the hon. member has said, there is no difficulty in finding a market for coal produced in New Brunswick. As a matter of fact New Brunswick is an exporter of coal, about 30,000 tons of the coal of that province having been marketed in the United States last year.

Mr. Brooks: That was to a pulp mill in Maine.

Mr. Howe: Yes. We provided capital assistance to one operator in a substantial sum so that he could enlarge his operations and thereby sell more to the United States. As the hon. member knows, very little coal comes out of New Brunswick into other Canadian provinces. When it does it receives subvention assistance, the same as the coal from other provinces. The subvention policy, however, does not extend to the movement of coal within a province, and that condition applies all across Canada. My hon. friend is mistaken when he says that subvention is paid on Nova Scotia coal delivered in New Brunswick; that just does not happen.

If there were a problem in connection with the marketing of New Brunswick coal we should be only too happy to attack that problem and find a solution for it. At the present time the New Brunswick operators seem capable of taking care of themselves and able to find their own market. The industry is in a healthy state.

Mr. Brooks: It is better now than it was.

Mr. Smith (Calgary West): It is generally conceded that the coal mining business in Canada finds itself in a difficult position. When I heard the hon. member for Macleod refer to diesel engines my mind went back to 1932, at which time, accompanied by a number of operators and the presidents of various local unions, I had the privilege of interviewing the then minister of labour and minister of mines, Mr. Gordon. At that meeting were Sir Edward Beatty of the Canadian Pacific Railway Company, and Sir Henry Thornton, representing the Canadian National. I cannot help recalling a reply I received from Sir Edward. While at that time they had not begun to use diesels, they had begun to use oil in the locomotives moving west from Calgary; indeed, that whole area out to Vancouver became an oil burning division. I remember suggesting to Sir Edward Beatty that perhaps that should not be done, because it would be a blow to the coal mining industry of western Canada. I have thought many times since just how true his answer was when he said, "Smith, if there is no other answer, it is progress." I believe parliament would be most unwise, in connection with any industry, to do anything to stop progress. We know that things are progressing in other countries with which we may be in competition.

In connection with our excess supplies of coal I would ask the minister whether there has been any actual advance, or any prospect thereof, in utilizing coal supplies for purposes other than fuel. We have heard from Russian propaganda sources that they have been burning their coal underground to create power. I believe it can be presumed that that report was nonsense. I know we have some experimental stations, but would it not be wise to have some set up at the pit mouth? I am not advocating this; I am merely making an inquiry.

In these days when we speak about power we seem to think of nothing but hydro power. It seems strange that in the town of Drumheller a plant has been operating successfully for a good many years on slack, the cheapest form of all coal mined. Would the minister make a statement as to power production when cheap coal, and perhaps gas, are available, and compare the cost with hydro power? We know it is true that once the water is harnessed the operating expenses are limited.

Will the minister indicate also whether the blow is going to fall on Alberta coal production next Saturday, July 1? I asked a question of the minister on the orders of the day to which he replied with a sound answer, namely, that that was not a matter of government business but rather an arrangement of rates between suppliers and distributors of coal, and that it was something with which the board had nothing to do. He said, however, that the situation was being watched.

My understanding is that there is a subvention of $2.50 paid to the railway companies for the hauling of this coal to the east. On top of that is an agreed rate of, I believe, $8.40. My understanding is that it is the intention of the railways now to resort to the normal rate of around $13. That, of course, would completely end the use of Alberta coal in these eastern sections. I recall having appeared before the railway commission on one occasion—it is now the board of transport commissioners. Our efforts were directed to finding the cost of hauling a ton of coal from Drumheller to North Bay and Toronto. That was at a time when cost

was not a factor in determining railway freight rates. I could not help but be amused. The Canadian National had brought from the United States an employee of the interstate commerce commission who belonged to a new professional classification; he was a railway cost accountant. The interstate commerce commission had begun the business of endeavouring to relate rates charged for the carriage of freight to cost, and I believe that was the first effort to do so on this continent. I will not mention the name of the gentleman, but he was one of the cleverest men I ever examined. I remember his saying that the haul from western to eastern Canada was a one-way haul and the cars had to go back empty to Alberta. In building up the structure upon which a rate was finally found he charged so much a ton for the extra vibration of the bridges on the line caused by hauling empty cars back to Alberta. I thought that was wonderful cost accounting, but it struck me that they carried the use of figures a long way indeed.

I should like the minister to say something about uses of coal other than for the generation of heat. If he can tell me anything new about the impending fall of the sword on Saturday with respect to Alberta coal, I would be very happy indeed.

Mr. Howe: As to the question whether any use has been found for coal other than for fuel, I think the answer is that on this continent no alternative use has been found which is economically sound. A good deal of money has been spent on experiments with the gasification of coal underground, and that has proven to be impracticable. Many millions have been spent on hydrogenation plants designed to make gasoline from coal. These have been found enormously expensive to operate, and have been pretty well rejected as impracticable. In my opinion the future of coal lies in keeping in step with progress in the development of the gas turbine. The gas turbine has economic advantages that are considerably better than those of diesel locomotives. Gas turbine engines are being operated in an experimental way today. The Brown Boveri Company of Switzerland is the leader in the development of gas turbine locomotives at the moment. Over the next few years there may be developments in gas turbines which will make them even more economical than diesels. One advantage lies in the fact that powdered coal is a first-class fuel. I think that is the hope for the future of the coal industry so far as railway operation is concerned.

My hon. friend asked whether coal can compete with hydro power as a source of power. For a steady load the answer is no. To provide for a 100 per cent load factor hydro power will always be cheaper than power produced from coal. Nevertheless, with fluctuating power load, and especially where hydro power can take the base load, steam is often economical and may offer better economy than the enlargement of a hydroelectric installation.

Mr. Smith (Calgary West): Stand-by plants.

Mr. Howe: Stand-by plants perhaps, or rather plants used from time to time where expense can be saved when the power is not required. In the southern states you will find that steam is combined with hydro power and used together with resulting high economy.

My hon. friend asked if the blow to the coal mines is going to occur on July 1. The answer is no.

The hon. member for Macleod is very sceptical about the suggestion that the government is watching the situation. However, the government did watch the situation referred to. It intervened in the later stages and was able to persuade the railroads that the western mines should have a chance to adapt themselves to the changed situation. The result is that the present rates are to be continued until March 31 next. That gives the mines some opportunity to meet the changing situation.

The hon. member for Macleod suggested that there has been a drop in production. I know of no drop in production caused by any situation other than fire and flood. The Brazeau colliery plant above ground was burned and the Cadomin mine was flooded a while ago. That has reduced the production of bituminous coal, but aside from that I know of no mine in the bituminous field that has curtailed production.

Mr. Smith (Calgary West): Mountain Park has given up its deep seam production.

Mr. Howe: As I understand the situation that seam is closed because of exhaustion of the seam:

Mr. Hansell: There have been almost 200 men laid off in one mine in the Crowsnest pass.

Mr. Howe: My hon. friend will understand that domestic coal follows a pattern that means curtailment of operations in the summer months. The reason is that the western domestic coal cannot be stored, and usually moves directly from the mine to the consumer during the burning season.

Mr. Hansell: It is a bituminous mine.

Mr. Howe: I am told that it is a captive mine. It is owned by Consolidated Smelters. The reason it has curtailed production is that the coke ovens at Consolidated are closed down. I do not think the coal board can regulate that situation. It is not a mine that offers coal on the general market. Its coal output is used by Consolidated.

Mr. Green: Is there any future for Canadian coal in the chemical and plastics field?

Mr. Howe: The Canadian chemical and plastics market is not one that can consume any large quantities of coal. Even in the United States that is a very limited market.

Mr. Smith (Calgary West): Do I understand from what the minister has said that there is no improvement in the Fischer-Tropsch process?

Mr. Howe: No recent improvement.

Mr. Smith (Calgary West): It is not a practical thing to look forward to at the present time?

Mr. Howe: That is right.

Mr. Smith (Calgary West): On account of the cost?

Mr. Howe: Yes.

Mr. Shaw: I was particularly interested in the observations of the hon. member for Calgary West relating to research in this field. The minister's answer was indeed enlightening. It is my sincere hope that efforts will be continued in the field of research. I represent extensive coal mining areas, including the Brazeau colliery, where a disastrous million dollar fire has put more than 400 men out of work. It is expected they will be out of work for more than six months. When I go among the miners of Alberta I hear constantly expressions of concern as to the future of the coal industry, and as to their own employment. They refer to this matter of research, recognizing what the use of oil and gas may do to future markets for coal from the mines in that area. It is only natural that those miners, who have done nothing else throughout their working lives, should be greatly concerned. I repeat that I hope the research work will be carried on with all possible vigour.

When assistance was granted the coal mining industry of the maritime provinces for purposes of modernization, we gave our wholehearted support. We pointed out, however, that conceivably some assistance might be required by the coal mining industry of the west, and that when it became apparent that such assistance was necessary we trusted the government would be just as anxious to give that assistance as it was to assist the industry in the maritime provinces. Only recently I was checking figures with respect to Alberta's potential coal reserves, together with information as to the actual development up to the present time. It was astonishing to learn how insignificant, if that is the proper word, the development has been in relation to the potential reserves. The operators assure us there is only one reason why the coal industry of my province has not been more fully developed; it is the insecurity of markets. They feel that if we had a clear-cut national fuel policy there probably would be a great expansion. At the present time they are also faced with high costs in relation to the sale price of their product, and a narrow margin of profit per ton.

We have some very large mining concerns in my province, such as the Brazeau collieries. We also have the small family mines, if we may call them that, where half a dozen persons or less carry on the work. Then we have a middle class group of mines such as those found at Alexo and Saunders, for example, producing what we often refer to as domestic coal. I believe that in this middle group we have reached the point where a certain amount of modernization is necessary if production is to be maintained and increased. So far as I can ascertain, however, at the present time those operators are not prepared to invest the money necessary to improve and expand their mines because the future of the industry is so insecure. I am not certain whether assistance has been made available to the coal mining industry of the west for modernization or in connection with production, and I would ask the minister whether any such assistance is granted at the present time, of course apart from subventions and things of that kind. I hesitate to ask whether any such assistance is contemplated, because the minister might tell me that is a matter of government policy to be announced in due course. Has any assistance been granted at all in the western coal mining field for such purposes as modernization?

Mr. Howe: None of the mines mentioned by my hon. friend has asked for assistance.

Mr. Shaw: I did not say they had.

Mr. Howe: If he will look at the balance sheets of those particular operations he will find that all are in a very comfortable financial position. There has been no plan for capital assistance for the western mines. It is felt that the economic position of those mines would not warrant the government's inviting expansion of the operation. Obviously it is not wise to stimulate production for which there is no sure market. That would be bad

economics, as I am sure my hon. friend will agree. With fuel oil, produced in the same area, undercutting the price of coal, I believe any western operator would be very unwise to invest more capital to expand his operation at the present time.

Mr. Shaw: I just want to make clear that there is no question of the mines having asked for assistance as yet. In view of what the minister has said, however, it seems to me that research becomes very much more important, and I believe there should be a more concerted effort on the part of the government and the board to secure markets for the product of our Canadian mines.

Mr. Johnston: When we speak of coal, as the minister indicated a moment ago, we must keep in mind the importance of maintaining a great industry. As I think the minister knows, the west is in a more precarious position than any other mining district in Canada, in that we have the close competition of oil, which certainly is going to make an inroad into the coal market. On the other hand the coal mining industry becomes of major importance in any national catastrophe that may come upon us, such as war. We saw what happened during the last war, when our coal mines had to make a supreme effort to help supply the demands of Canada during that emergency. So even if there were no other reason I think we should pay particular attention to that industry.

The minister indicated that the department was keeping its finger on the situation in the maritimes, and expressed the opinion that things were going along fairly well there. In western Canada, however, we have not that assurance, partly because of the production of oil. As the hon. member for Macleod indicated a moment ago, we cannot halt progress; but while no one would endeavour to halt the progress that is being made in the development of oil, it seems to me we must do something to maintain this other major industry. Large numbers of families are dependent upon coal mining for a livelihood. A moment ago the minister said he did not know of any mines that had been closed down.

Mr. Howe: I mentioned the domestic mines.

Mr. Johnston: When I was home at Easter the miners had a meeting at which it was stated there were 1,400 unemployed.

Mr. Howe: There is always a good deal of seasonal unemployment in the mines at this time of year.

Mr. Johnston: But this was a very sudden cut-off. Some of the operators were at that meeting, and they pointed out the difficulty they had in competing with United States coal. They said they just could not do it. Economically I suppose they were right. If I recall aright, one of the operators went on to indicate the handicap they were under through the lack of assistance to bring their mines up to modern standards of mechanization as has been done in the maritimes. I agree with the statement by the minister a moment ago that it would not be good business to encourage production for which there is no market. I believe the coal board has been doing good work as far as it has gone, but I wondered if through the activities of the coal board we could not give the western industry a little more encouragement in the finding of markets for western coal. A moment ago the minister said the board was keeping in close touch with the situation. I am sure it is, but if the minister could give us a little more definite information about what the coal board is doing to develop a market for western coal, it would be of great assistance and encouragement to those who are engaged in mining in the western part of Canada. What is the board doing, and where is it planning these markets for western coal? Can the minister tell us just a little bit about that, and at least give the western industry some encouragement? Exactly how does the board operate?

Mr. Howe: The coal board, in short, assists the industry to continue as a prosperous operation. The coal board does not perform miracles. I should be reluctant to say anything at this time that would encourage the western coal industry to believe it has a bright future, because I believe the future is far from bright. This situation arises because of developments in its own province. We shall continue to find markets for coal just as long as we can. After we have bonused, to the extent of $2.50 per ton coal which costs only $3.50 or $4 at the pithead, it becomes cheaper to take the miners on the payroll and pay them directly rather than bonus the coal.

Mr. Black (Cumberland): First, Mr. Chairman, I want to give personal recognition to what the minister has done, and recognition to him for his knowledge and grasp of the problems of the coal industry in Canada. I also want to express my confidence in the coal board, and the work it has undertaken although it is not complete. I have special confidence in one of the members of the board, who comes from Nova Scotia, Mr. D. W. Morrison. He has been associated with the coal industry for many years. The citizens of his own town of Glace Bay have shown confidence in him year after year by re-electing him as mayor. His health has been such, though, that he has not been able to

continue. I have had many contacts with him, in delegations he has headed, and as I say, I have great confidence in him. Another man who has been associated with the coal board for many years in Ottawa is Mr. Frank Neate, who gave such great service to the province of Nova Scotia in an effort to put the coal industry on a better basis.

The coal industry is a necessary industry. It is only in time of national emergency that we really appreciate it. In order to keep it operating it has been necessary to grant large subsidies, subventions, and so on. I am glad the minister has recognized that policy which was put into effect in the early thirties when this industry was at the lowest point it has ever reached in the history of the country. It was meeting competition from imported coal that was being placed on cars in the United States for as little as fifty cents a ton. At that time the Canadian National was getting coal from its own areas, taken over from the Grand Trunk for as little as eighty and eighty-three cents per ton. Coal was coming into Canada from Great Britain and European points as ballast. At that time surplus electric power was being used under boilers to replace coal. This was electric power which would otherwise not be utilized. There were labour difficulties in those days, but the industry was able to carry on, and is now on a better basis.

I was interested in and concerned with the voluminous report on the coal industry submitted by Mr. Justice Carroll, now the member for Inverness-Richmond. There is a tremendous amount of information in that report, but I do not know that any of the recommendations have been actually carried out. I do not know what has been done. Perhaps the hon. member himself will be able to tell us about that. It has been recognized that the coal industry of this country is necessary, and various governments have so recognized it. The chief problem is finding markets in Canada for this industry which would give it an assured production. Last year the government assisted the industry to the extent of a loan of $10 million. This loan was given for the purpose of putting in improvements, machinery, and so on. I would be interested in having the minister say to what extent this loan has been applied. I understand that $7,500,000 was to be applied to provide machinery for the largest industry in Nova Scotia, Dominion Steel and Coal Corporation. That left $2,500,000 to provide improvements for the smaller mines in Nova Scotia and New Brunswick. I should like to know to what extent that money has been allocated, and what is being done. Recently the president of Dominion Coal and Steel Corporation announced that, in order to enable continuous production during the slack season, the coal mines at Springhill in my constituency were to have a port established on the Atlantic coast. This would enable them to ship thirty miles by rail, and then by water to the larger markets in central Canada. While these subsidies have been quite substantial, there has also been a great saving of United States currency through the production and marketing of coal in Canada which has replaced some of the imported coal. It has not been a disbursement without direct returns to this country.

I do not know that there is much more I can say now. I have a good deal of sympathy for the workmen operating those mines. They have had to struggle for years to build up the position that is now recognized, namely, that they are entitled to the largest wage that can be justified. In the county of Cumberland we have a splendid body of workmen who have proven time after time their capabilities and their desire to do their part in operating the coal mines. The smaller mines in the Joggins, River Hebert and Maccan area do not produce coal with as high B.T.U.'s as the Springhill coal, which has the highest heat units of any coal on the continent, but that area does produce splendid domestic fuel. It could be improved if washing plants were established, and I was hopeful that some of this money, the $2,500,000 applicable to the smaller mines, would be made available for this purpose.

There is much more I could say with respect to the coal industry and its significance in the economy of Nova Scotia, the difficult years through which it has passed, and its importance to Canada as a whole. We have the assurance of the minister that he will continue to do his part in carrying out this policy.

Mr. Howe: I appreciate the remarks of the hon. member for Cumberland. He has been supporting the coal industry of Nova Scotia for a great many years. He asked for some information as to the appropriations under the capital loans. There have been only two: to the Dominion Coal Company, a loan of $7,500,000, and to the Avon Coal Company, a loan of $375,000. We have a few additional applications that are being considered at the present time, but those mentioned are the only two loans that have been completed.

Mr. Black (Cumberland): May I ask the minister why the 1949-50 coal report has not been made available to us? The latest one I was able to get was that of the previous year, 1948-49.

Mr. Howe: The difficulty has been that we cannot get the printing finished. If we are not able to get the printed report tomorrow, we intend to table a typewritten copy.

Mr. Green: What is the position of the coal mining industry on Vancouver island, British Columbia? They have their problems too, but I think they are different from the maritime problems.

Mr. Howe: It is in bad shape. I do not know that I could give any details, but mines in British Columbia are fairly well worked out and the situation is not good.

Mr. Hansell: I notice that the amount of subvention, for both this year and last, is $4,500,000. Can the minister tell us what was actually spent last year of that amount?

Mr. Howe: The amount is about $3,900,000 —a little more perhaps, but in that vicinity.

Mr. Gillis: May I ask the minister this question? The statutory vote for subsidy payments is for the purpose, as I understand it, of providing a drawback on imported coal used for metallurgical purposes. Why is there a decrease of $50,000 in that amount? What is the amount of drawback paid now on coal used for metallurgical purposes? Does the drawback apply to Canadian-produced coal as well as to American?

Mr. Howe: This is a subsidy paid on Canadian coal used in making metallurgical coke. The purpose is to place an industry that uses Canadian coal on at least as favourable a footing as an industry using American coal. The only company to which that subsidy is paid, I believe, is Dosco.

Mr. Gillis: What amount is rebated?

Mr. Howe: It is 49½ cents a ton.

Mr. Black (Cumberland): I should like to ask the minister if he would answer my inquiry as to what has been done or is being done to provide a shipping port so that Springhill mines can ship, through the slack season in the summer, to central Canada points by water.

Mr. Howe: Nothing has been done; but as far as I know, all the coal that is mined at Springhill is moved to market in central Canada. It has been for several years and I think it will continue to be. In other words, we do not intend to permit them to have any slack season.

Mr. Black (Cumberland): This was an announcement made by the president of the company, Mr. Forsyth, within the last few weeks.

Mr. Howe: I shall be glad to look into the matter.

Item agreed to.

[Mr. Black (Cumberland).]

National research council—

451. Salaries and other expenses of the national research council, $9,874,903.

Mr. Green: This is the first item for the national research council. As the minister knows, these estimates have been reviewed by the special committee investigating the work of the research council, and I do not think there was any objection to them. What I should like to suggest to the minister is that he give some consideration to the salaries being paid to the research officers. If he will turn to page 281 of the estimates, at which are to be found the details of these votes, he will find that, apart from the directors and assistant directors, there are only 14 other research officers who are drawing a salary of $6,000 or more, and that there are 587 who are drawing less than that figure. If the salaries are sufficient to attract the best men in the country to this work, then of course there can be no objection to them. But I think it would be worth the minister's while to see whether the salaries, particularly in the middle group, are adequate to keep the best men in the country in this field. Personally I was greatly impressed by what we learned of the work of the staff of the research council, from Dr. Mackenzie down. They are doing a splendid job; they are doing work which is of the utmost importance to a young nation like Canada. Our university graduates seem to take naturally to work of this kind. With our natural resources and our comparatively small population, this research work seems to me to be as important as any other work being done in Canada. I would ask the minister to give some thought to the question whether these salaries are adequate.

Mr. Howe: A good deal of thought has been given to that subject. I think I can say that the research council does attract the best young men in Canada.

Mr. Green: I think that is true now. There is no doubt about that.

Mr. Howe: My hon. friend perhaps has in mind that the salaries paid do not hold these young men permanently. I think that is a highly desirable situation. The worst thing that could happen to the research council would be for young men to come in there at age twenty and stay there until age sixty. A young man gives splendid work to the research council and in return he obtains splendid training from the research council. I believe it is highly desirable, in the interests of the Canadian economy, that after the young man receives that training and has been there for a few years, he should find a place in industry and continue his work in that field.

Mr. Green: I have more in mind the men from thirty-five to fifty who are making a career of the research council work.

Mr. Howe: Such men are carefully selected, and their salaries are better, we will say, than comparable salaries in universities. We can never compete with industry. If industry needs a man with particular qualifications, it will pay any price that it takes to get the man. For instance—and I am perhaps not telling tales out of school—recently one of the men was offered $25,000 a year plus a favourable retirement plan, but he decided to stay at the research council at a salary less than $10,000. If I give too many particulars, you might place the man. The work does attract first-class men. We think that the range of salaries is adequate to attract the kind of men that it is in the public interest to attract to the work of the research council.

Mr. Murray (Cariboo): The name of that man should be taken and he should be considered for a position in the cabinet.

Mr. Howe: I do not know that he would take that job.

Mr. Macdonnell (Greenwood): I want to ask the minister whether he would say a word as to the co-ordination of effort that there is with other research organizations, for example, with the one in Ontario. I think there is co-ordination, but I should like to know more about it.

Mr. Howe: The purpose of the national research council was to bring about co-ordination of Canada's research efforts. I believe it is doing just that. Efforts are being made to see that there is a minimum of duplication with other research establishments and with those of the national research council, and also to see that there is no great overlapping of effort between the work of the national research council and the work of private industry. If the field is covered by another agency, that work is not undertaken at the national research council.

Item agreed to.

Atomic energy control board—

454. Administration expenses of the atomic energy control board, $57,000.

Mr. Green: This is the first item for the atomic energy control board. Last year the special committee on atomic energy recommended that steps should be taken to establish a second pile at Chalk River. I cannot tell from this year's estimates whether or not that recommendation is being followed. Can the minister explain, and also at the same time tell us whether there has yet been a decision reached by Canada, the United States and the United Kingdom concerning the release of more atomic energy data for peacetime purposes? In the report of the atomic energy control board I find a reference to that. Paragraph 10 reads:

> At meetings of representatives of the United States, the United Kingdom and Canada recommendations were made looking to the wider declassification of fundamental scientific information while maintaining restrictions on publication of technological data that might be of assistance to a potential enemy.

It may be that the representatives of the three countries have decided that this is not the time to make any wider declassification; but will the minister tell us the situation on these two points?

Mr. Howe: As to the first point, those associated with atomic energy expect to be in a position to recommend to the government the building of a second pile. That recommendation has not been made as yet. I believe that the scientists would give as a reason the fact that they are not quite ready with the design. They are incorporating all the knowledge that has been developed since the first pile was built. While I cannot speak positively, it has been intimated to me that the design is not yet ready. There may be several other factors associated with the projects that are being worked out actively.

As to the declassification of information regarding peacetime application of atomic energy, there has been some, but the complete exchange of information that was hoped for has not been brought about, largely as a result of steps in that direction being interrupted by the Fuchs case.

Mr. Green: Is the production of uranium in Canada up to the requirements of the country?

Mr. Howe: Far beyond the requirements of Canada.

Mr. Black (Cumberland): What have been the outside expenditures under this heading up to date?

Mr. Howe: I have not the exact figure, but the expenditures for capital and for operating to date run about $35 million.

Mr. Black (Cumberland): Incidentally I want to remind the minister that with respect to this $35 million, plus the appropriations totalling about $8 million which we are putting through, none of it has been spent in the maritime provinces. Therefore in this as in many other large expenditures the maritimes do not share, and that contributes to their difficulties and their lack of prosperity in relation to certain other parts of Canada.

Mr. Howe: In that regard I would remind my hon. friend that considerable expenditure is being made in the maritimes for a new laboratory which it is hoped will be opened in October of this year. I am confident that that regional laboratory will make a decided contribution to the economy of Nova Scotia.

Mr. Browne (St. John's West): I did not hear the question asked by the hon. member for Cumberland, but I heard the reply of the minister in reference to the maritimes. I should like to ask a question along that line. Is there a possibility of a regional laboratory being built in Newfoundland, or is there any work being carried on there?

Mr. Howe: The purpose of the maritime regional laboratory was to serve Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. There is a regional laboratory in the maritimes which will be opened this October; there is a regional laboratory for the prairies, and there is a regional laboratory on the Pacific coast.

Mr. Browne (St. John's West): They deal with problems that will be helpful to Newfoundland?

Mr. Howe: Yes.

Mr. Black (Cumberland): Will this laboratory be carried on as part of the operations of Dalhousie university?

Mr. Howe: Yes.

Item agreed to.

Atomic energy control board—

456. Operation and maintenance, $6,113,530.

Mr. Knowles: May I ask the minister whether there is any revenue in connection with this project which might be regarded as an offset of this expenditure?

Mr. Howe: There is a substantial revenue item, but I would rather not discuss it.

Item agreed to.

Canadian Arsenals Limited—

458. Administration and operation of Canadian Arsenals Limited, $2,900,000.

Mr. Macdonnell (Greenwood): Will the minister explain the figure of $1,300,000 which is indicated as not required for 1950-51?

Mr. Howe: Last year the estimates contained an appropriation of $2,900,000 for the operation of the dominion arsenals. The arsenals did not require that appropriation. They actually operated at a profit of about $2,500,000; in other words, the sales of products from the arsenals exceeded the operating costs of the arsenals by about $2,500,000. That was not a normal situation, in that there were certain wartime stocks of raw materials that were being used up. The surplus stocks in the arsenals were not taken into War Assets Corporation and re-issued; they were left with the arsenals to liquidate, so that the profit of $2,500,000 from the operation of the arsenals is not a normal profit. However, an effort is made to operate the arsenals at least on a break-even basis, and the item that we are asking parliament to vote today is an insurance item rather than an item that will necessarily be expended.

Mr. Macdonnell (Greenwood): This is one of the cases where the minister's miraculous forecasting worked out. Seriously speaking, it does not look as if it had been a budget at all last year. As the situation worked out, there was a difference of several millions between what was estimated and what was needed.

Mr. Howe: I am neither a prophet nor a seer. I could not foretell that India, Pakistan, Israel and a few distant countries would come in with large orders for munitions. Had we relied upon our own requirements of munitions for the armed services we would have required the $2,900,000. That is the cost of maintaining the arsenals in a stand-by condition, if there is no work in progress.

Mr. Hodgson: I should like to thank the minister for a note he sent me some time ago concerning the arsenal at Lindsay. He said the government would keep it running. The payroll means a good deal to that town. When I saw that this amount of $1,300,000 was not required I wondered if it had anything to do with that plant, but the minister's answer to the hon. member for Greenwood would indicate that that is not so. Shall we continue in the future as we have in the past so far as this arsenal is concerned?

Mr. Howe: I was asked about the item of $1,300,000 not required this year. That was to replace the fire loss at Quebec arsenal. The hon. member will recall that one of the buildings was destroyed by fire last year. That was a capital vote put in to replace the building, and that is why this amount is not required this year.

Lindsay arsenal has been made an important unit of our arsenals system. It handles the manufacturing of the larger types of shell cases. Every effort is being made to keep it well supplied with work.

Item agreed to.

Special—

784. To reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence, under chapter 51, statutes of 1947; further amount required, $31,736.

Mr. Green: Is the construction of 135 housing units at the camp of the Royal Canadian Engineers at Vedder Crossing, British Columbia, being done by Canadian Commercial Corporation or by Central Mortgage and Housing Corporation?

Mr. Howe: When was the work undertaken?

Mr. Green: I think it is almost completed.

Mr. Howe: The chances are it was undertaken by Canadian Commercial Corporation. Within the last year it has been the practice to have practically all housing work for the services carried out by the housing corporation. Prior to that, small groups of houses were handled by Canadian Commercial Corporation.

Mr. Green: I have had complaints about the construction and the inspection. I suggest that the minister have one of his officers investigate the situation.

Item agreed to.

823. To provide, subject to the approval of treasury board, for advances to Canadian Arsenals Limited to increase the working capital fund for the operations of the company, $2,500,000.

Mr. Howe: This provides for an increase in the working capital of Canadian Arsenals Limited to the extent of $2,500,000.

Item agreed to.

POST OFFICE DEPARTMENT

269. Departmental administration, $1,373,625.

Mr. Graydon: Mr. Chairman, I should like to make one or two brief observations. What I shall say first will, I believe, reflect the views of all hon. members on both sides of the house. May I say to the minister, who has returned to the house after an illness, how pleased we are that he has made such a complete recovery and is with us again in his normal good humour and good health.

On previous occasions I have asked, and I repeat the request now, that a committee be set up to deal with the question of rural mail couriers in Canada. I realize of course that it is too late this session to take that action. I cannot understand why minister after minister has declined to do it.

There may be a disposition on the part of some hon. members to think that the problem of rural mail couriers is an isolated one and does not deserve the attention of a committee of the house. Nothing could be more remote from the fact, because, as the minister knows, the whole network of mail distribution across the country is of great importance not only to the couriers themselves but to those whom they serve.

The minister is no doubt aware that there have been many criticisms of the manner in which rural mail contracts are let, and I suggest that a committee of the house could study the question and make recommendations so that the mail couriers from coast to coast would get a fair break. Those of us who for many years have been served by the couriers know that their problems should receive more attention than they have received in the last few years. If there are problems, then they should be dealt with by a committee of the house.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. Graydon: Prior to the noon recess I was calling on the Postmaster General to set up a special committee at the next session of the house to deal with the question of mail delivery by rural mail couriers. I want to add to what I said then the observation that the long history of the rural mail couriers has not been a very happy one, nor is it one for which parliament or the government can take much credit. The rural mail courier renders splendid service. He is an intimate part of the rural life of Canada, but unfortunately the remuneration he has received has been so scandalously out of line with that paid to others performing similar public service that it has called for condemnation by many members on both sides of the house.

I am not going to say that there have not been patchwork reforms aimed at attempting to relieve the position of this public servant. Bonuses have been given and changes made, but the objection is that he is still working under an outmoded system which perpetuates the inequalities under which he labours year in and year out. The association which has the interests of rural mail couriers particularly at heart has called incessantly for a committee of the house to hear witnesses, gather information and allow the employees concerned and others interested in the service to come to Ottawa to present their point of view for the purpose of having the matter thoroughly studied, and if possible the policy revised so that the rural mail courier will get a square deal.

There is another important point that the committee would normally deal with. While the dwellers in rural areas for the most part are provided with service to their gates six days a week, and while city dwellers on paved streets in the larger towns and cities have mail delivery six days a week, there is a vast section of our population which does not come within either of those classifications. With

the housing programs and the extension of residential areas outside of the larger cities and towns, many rural sections have now been transformed into suburban areas with scores of thousands of people living there who used to live in the cities and towns. The difficulty arises from this vast extension and the increase in population in the suburban parts of the country.

In many instances these areas are too thickly populated for the ordinary rural mail route, yet they do not qualify under the regulations for city postal delivery service. I have been wondering what can be done in cases of that kind. I know that the Post Office Department has been making attempts to alleviate the condition. At this point I should like to say that in the representations I make from time to time to the department—and I am sure this is true of other members of the house—I have been met with courtesy and co-operation on the part of the Post Office Department in reference to these urgent and vital problems.

As I see it, the difficulty is that what is needed is a brand new policy as to suburban mail delivery. With a view to being of some assistance to the committee and the department I wrote last November to the Postmaster General of the United States. As a matter of interest and information I want to put on record the letter I received from Mr. Donaldson, their Postmaster General, dated November 10, 1949. It reads:

Dear Mr. Graydon:

This will acknowledge your letter of November 2, 1949, inquiring about the type of service rendered by this department to suburban districts throughout the United States. This department maintains rural delivery service on 32,556 rural routes which serve not only the farm areas of the country but cover many of the highways and roads in the suburban areas of our cities and towns.

When the population in such areas, particularly those adjacent to large cities, becomes congested to the extent that rural delivery service is no longer feasible either from the standpoint of mail volume or frequency of stops, such territory is transferred to the city delivery service and maintained by carriers who are provided with vehicles. This service is provided in territory adjacent to the well developed city areas but in which sidewalks and other city improvements have not been provided. Where government-owned vehicles are available in postal units that equipment is used and in other cases where the government-owned trucks are not available, the carrier serving such a route is granted an allowance under contract for providing a privately-owned vehicle.

I am sure you understand that under our laws and regulations we maintain city delivery service in about 4,400 cities where the delivery work is accomplished by carriers on foot. This service is maintained in cities under authority of law which requires that such service be maintained at every incorporated city, village, or borough containing a population of 50,000 within its corporate limits, and may be established at every place containing a population of not less than 10,000 within its corporate limits, or at any post office which produces a gross revenue of not less than $10,000 per annum.

The department follows a policy of withholding the establishment of city delivery service, either by foot carrier or mounted carrier, in communities having less than 2,500 population, even though the receipts of the office meet the minimum requirements of $10,000. Carriers in the rural delivery service sell stamps, accept parcels for mailing, register mail for the senders, and also accept applications and money for the purchase of money orders. City delivery carriers, whether on foot delivery routes or mounted routes, do not render such service to the patrons.

With every good wish, I am,

Sincerely yours,

J. M. Donaldson
Postmaster General

As the minister will see from this letter, the problem of suburban mail delivery has been tackled with vigour and considerable effectiveness by the Post Office Department at Washington. If the Postmaster General would go into the southern end of my riding, or the suburban portions of other ridings, he would see a striking example of inconvenience and inefficiency with respect to mail delivery. That inconvenience and inefficiency are not occasioned by the quality of the service the rural mail courier tries to perform; they result from the fact that the system is not right. At one point in my own riding where there are perhaps fifty or sixty mail boxes, the last report I had indicated that the mail courier had no less than 465 stopping points. In addition we must remember that the danger on the highway is very great. In some suburban areas you can see almost a forest of mail boxes, extending perhaps a hundred yards along the highway. These involve considerable danger, not only because the mail vehicle has to stop so often on the highway, but also because many children have to cross the highway in order to collect the mail, having come a considerable distance from their homes in order to do so. Only this morning I had a letter from one of my constituents who said that having left Toronto and come to my riding to live, the nearest point at which he can get mail is a mile and a half away; and that situation could be duplicated thousands of times all across the dominion.

I suggest to the minister that this problem has assumed most serious proportions, and that it is daily becoming more aggravated because the building program is going ahead rapidly. Every time a new house is built the problem becomes worse. It seems to me that the whole matter of rural mail delivery, including the letting of contracts and the very low salaries which in the past have been paid rural mail couriers, ought to be dealt with by a parliamentary committee. The rural mail problem has never been given a

real going over by a committee of this house, though we have dealt with many other things that no doubt were important. Let us not forget, however, that these are the things that touch the home life of every rural community in Canada. We cannot simply sit here and discuss in a general way, toward the end of the session, matters so important in the lives of the people in our rural communities, and let it go at that. From time to time we have had committees to deal with matters which in my opinion have not affected the rural life of this country to anything like the extent it is affected by our mail delivery, and I believe it is time we gave that consideration to this problem.

Today I rose only to make what I hope have been constructive suggestions, because I do not believe there is any point in trying to be unduly critical of anyone in connection with this matter. It is a situation that has developed over the years. If criticism should be offered, I think it would be that the department has not pursued the matter with the vigour which I believe our expanding suburban population have a right to expect.

I ask the minister, as I have asked him before and as I hope I do not have to ask him again, to set up a committee to deal with postal delivery service in Canada, a matter which affects the lives, the happiness, the convenience and the accommodation of people in the rural portions of this country.

Mr. Pouliot: Before the minister replies I should like to say that I agree with what the hon. member for Peel has said, with the exception of his conclusion.

At the outset the hon. member made a courteous reference to the return of the minister. Everyone is pleased that he has returned in good health and is able to carry on the heavy work of his department. During his absence the acting minister was the Solicitor General, who did a very good job.

I am very much interested in the matter of rural mail delivery, and most of the remarks of the hon. member for Peel were to the point. It is my experience that rural mail delivery renders a great service to rural communities, but sometimes a contractor makes a low bid in order to obtain a government contract, which he frames and puts in his drawing room as though it were a Ph.D. degree or something of the sort. They put in the lowest bids, in the hope that their members of parliament will see to it later that the amounts stipulated in the contracts are increased. They want the contracts under any conditions; and those who make bids that are too low can blame no one but themselves if they are not well paid.

On the other hand it very often happens that the officials of the department are stingy in dealing with the tenders. They do not know the geographical conditions; they do not know whether there are steep hills or whether the road is level, and they have established an average which is the same for a mountainous countryside as for a plain. The member of parliament is the one who knows best, and his suggestions as to a fair price for a service should be listened to. In the past it was the custom of the officials to ask tenderers to reduce their prices. In my humble view, when a tender is called for there should be no bargaining afterward. The contract should be given to the lowest tenderer, if he has the equipment with which to do the work. Sometimes there is some merchandising, some auctioneering by the officials of the communications branch. They think the tender is too high, and they ask him to bring it down and down until it reaches a point where it is no longer a paying proposition. In my humble opinion a man who bids for a mail contract should be allowed enough to pay him a legitimate salary, and to cover his expenses. No man is supposed to make a sacrifice to carry the mail anywhere in Canada. I would be interested in knowing the average price per mile paid to mail carriers in each province in Canada. I presume that in Quebec it is lower than anywhere else.

An hon. Member: Higher.

Mr. Pouliot: No; I may be wrong, but it is my contention that the price the Post Office Department accepts in the province of Quebec is lower than anywhere else. I well remember the fight I had to try to have a fair price paid for mail service in a mountainous countryside. I am glad to tell the minister that conditions are now much better than they were under his predecessor. My post office, and rural route No. 5, are not so thick and heavy as they were under his illustrious predecessor. I had to write letter after letter to try to get an answer, and it was always the same. If the present incumbent were not in charge of the post office, I would vote to reduce the estimate to $1 because I had no satisfaction before he took charge. Conditions have improved, and I thank the minister for that.

I should like to ask the minister when mail delivery service will be established in the city of Riviere du Loup. I hope it will be done soon. Yesterday I was told that an order in council was required for that purpose. Everyone is in favour of it, and I expect the minister to establish it at the earliest possible opportunity. I should also like him to establish a rural route in the

parish of St. Patrick, Riviere du Loup, to the east of the present post office, to serve that rural community. It could be easily done. In the first place the petition was not understood but I hope it is now, and the farmers who live in that part of my constituency will enjoy rural mail delivery service in the near future. I thank the minister for having established many new rural routes in my constituency. I do not understand why at times it is so difficult to have these routes established. Naturally, there are geographical difficulties, and there may be some argument about the price asked, or there may be some divergence of opinion in the community, but as a rule all the people who do business want to have their mail as soon as possible. It is not the same today as it was fifty years ago. The amount of mail has increased, and it makes quite a difference to the rural mail carrier. He has to buy a bigger truck to handle all the material, and that means greater expense.

In conclusion, my hon. friend asked for the establishment of a committee to study the case of the rural mail carrier. I do not think that is necessary at all, and I shall tell him why. It is for this reason I wanted to speak before the minister. During the war we established a system of adjustments for mail carriers who had more mail, more parcels, newspapers and so on, to carry. By virtue of an act that was passed by parliament, a bonus was allowed. The minister dealt with the mail carriers fairly; even the predecessor to the present minister was quite fair, but more argument was needed to get results from him. The matter was handled fairly without any political partisanship, and an adjustment was made so that the mail carriers would have a fair deal. We have the example of the past, and judging by the revenues of the Post Office Department, which are as large as they were during the war, we have as much mail passing through the office as we had during the war. If that legislation was good during the war, because of the increase in correspondence at that time, I do not see why the same legislation is not used again. This would ensure that the mail carrier who has more mail to carry now than he had before would have an opportunity for righting the wrong he is suffering. I am in favour of a fair deal. After that legislation is re-enacted we might adopt the suggestion of the member for Peel. If that legislation did not work so well in the future as it has in the past, then we might have a committee of the house to study the matter.

I have been here longer than my hon. friend. I remember a time when Mr. Anderson was the superintendent of mail service, and there was a fellow who was asking the mail couriers to contribute some money for an organization to increase the price paid to mail couriers. It was pure humbug, and I do not know what happened to the fellow but nothing was done to help the mail couriers until remedial legislation was introduced. This legislation gave everyone a fair chance. In conclusion, sir, I should like to say to my hon. friend that I am not in favour of a committee. We have enough committees. We have committees for this and that. The members are never in the house because they are sitting on committees. They are listening to what this expert says. We do not need an expert. When the minister suggested that the officials of the department should explain the functions of the Post Office Department to hon. members, I told him we did not need those officials to give lectures to members of parliament. We know what is going on in the Post Office Department. The only thing the minister needs to do is to tell his officials that they are to be fair with the members of parliament, to respect them and not inaugurate any new, complicated system for efficiency. Some foolish people think only of efficiency. If I want this to be sent to the member across the way, I call a page and he takes it there. An efficient method would be scientific. It would be a new world. Do not pay any attention to the new world. I say that to the minister. Do not pay any attention to superefficiency: just pay attention to efficiency. That is enough for me and I think it is enough for everybody.

Hon. Edouard Rinfret (Postmaster General): At this stage, Mr. Chairman, I should like to thank the hon. member for Peel and the hon. member for Temiscouata for their kind words. The committee may be sure that I am pleased to be back. As a matter of fact, if I had listened only to myself I would have been back much e rlier because I was eager to be here. But unfortunately there was a watchdog, in this case my doctor, who prevented me from being here sooner. I wish to thank the Solicitor General for the wonderful work he did while I was away. It has even been suggested to me that I should have stayed away a little longer because people were getting along with him so well. At this stage, Mr. Chairman, I should like to put on the record certain facts dealing with the post office and its activities during the year. This is the first time that the gross postal revenues of the postal service have exceeded $100 million. The figure for the fiscal year 1949-50 is $101,277,435, an all-time high. Part of the increase is accounted for by the fact that this is the first fiscal year in which the revenues have been included from Newfoundland. The actual amount of revenue from that province during

the fiscal year was $1,023,693 and the expenditures on postal service for the same period was $1,532,363. The estimates for the fiscal year 1950-51 which are now presented provide for an increase of $2,087,780 over the fiscal year which ended on March 31.

The main item of increase is for salaries and allowances of employees which amount to $3,455,014. This increase is due in part to additional employees necessary to give service and also to increases in salary rates recommended by the civil service commission and approved by the governor in council. On other items there is a decrease in the amount asked for. During the past year 50 post offices have been raised from a revenue to a staff post office rank. This means that staffs of offices are put on a more stable basis. The employees are classified as civil servants and will enjoy civil service rates of pay and be eligible for the benefits of superannuation.

Letter carrier delivery service has been inaugurated at five points during the fiscal year 1949-50 and door-to-door delivery is in contemplation at approximately 13 different points during the present fiscal year. There has been a decided improvement in the transportation of international mails. This is due in great part to the return to the merchant service of ships which were formerly on war service which have now been reconditioned and placed back into service and also a number of entirely new vessels have been added.

Steady progress has been made in the field of international air mail. At the present time almost half the letter mail between Canada and Great Britain travels by air. This volume of mail which amounts to approximately 240,000 pounds annually is transported almost entirely by Trans-Canada Air Lines. There has been a sharp reduction in the number of parcels sent to Great Britain and other European countries. This reduction is almost entirely in the food parcel category. In 1947 the weight of parcel post carried was 27 million pounds. In the calendar year 1949 the weight carried was 22 million pounds, a reduction of 5 million pounds. This is due in great part to improvement in living conditions in European countries and also to the establishment of special agencies whose mission it is to dispatch food and other supplies to those countries where these necessities are in short supply.

Of the total estimates presented amounting to $85,674,757, 55·96 per cent, or in figures $47,946,100, is for the payment of salaries and allowances. The next large item is for transportation which accounts for 38·42 per cent or a figure of $32,910,747; 94·38 per cent of the post office expenditures being for salaries and transportation. Supplies, equipment and miscellaneous expenditures make up the balance.

In the realm of transportation there does not seem to be any immediate prospect of price reduction. As a matter of fact, the railway companies have made a request for a drastic increase in mail pay rates. The department feels that the increase requested is excessive and the matter is now under consideration. Pending final decision, payments are being made to the railways at the former rates. Any substantial increases granted will turn the small surplus for the fiscal year 1949-50 into a deficit. We have continued to give air mail service in Canada on an all-up basis. The volume of such traffic increased gradually within the year but is still within the estimates on which the experimental rates of payment were calculated. Payment to Trans-Canada Air Lines for this transportation continues to be made on the experimental basis pending agreement at a regular contract rate. We are hoping that the company will be able to agree to rates which will permit the continuance of the all-up scheme as a permanent feature.

The powers to grant supplemental payments to mail contractors ended on March 31, 1949. Supplements granted prior to that date have been continued for the term of the respective contracts. New contracts established as a result of tenders continue at fairly high rates, and there is no visible sign of any decrease in prices.

The money order and savings bank service continues to grow. During the fiscal year ended March 31, 1950, the number of money orders issued and paid shows an increase of 2·35 per cent over the previous fiscal year. There likewise has been an increase in the number of savings bank deposits.

In the realm of new service, consideration has been given to the establishment of an air mail service for parcel post and printed matter, but investigations so far indicate that there is not sufficient demand to justify such a service in the domestic field. The same situation applies in the international sphere. However, the situation is one which is being closely watched and when it is felt that worth-while advantages would be gained the service will be introduced.

In 1949 a departmental committee was established to examine all printed forms and other types of stationery used in the department. This committee has met and still meets regularly and, as a result of its operations,

there has been a sharp decrease in the number of forms used, which has not only added to the efficient operation of the service but has resulted in worth-while economies.

The department has continued its program of training employees and arranging exchanges between the operating and headquarters services with beneficial results. We have also placed at the service of the mailing public a group of public relations officers who not only explain the facilities which the department offers but help the various mailers with their individual postal problems.

We are continually studying ways and means of improving service and effecting economies. There is under consideration at the present time the experimental installation of a mechanical sorting machine. This machine has been used effectively in other administrations, and we feel it can be adapted to the Canadian service with savings in manpower and improved working conditions.

The improvements so far made have increased the output of each employee by approximately 6·6 per cent over the last five years.

The growth of the service to its present structure with an increase in postal revenue, year by year, to an all-time high of $101,277,435.43, has always been marked by a judicious combination of the best in traditional postal experience and the adoption of new ideas and modern procedure in its administration and organization. The result is that today the Canadian postal service ranks with the best to be found in any country in the world.

During the fiscal year 1949-50 its activities were as follows: it carried 1,365,492,384 letters and postcards; 612,000,000 newspapers; 790,912,000 pieces of printed matter. Through its money order system it handled $479 million —I am leaving out the thousands—in money order transactions.

Mr. Graydon: How many people have you counting these letters?

Mr. Rinfret: It is automatic. It encouraged thrift in its savings bank system to the extent of $38,754,000. It carried goods to the extent of 69,201,000 parcels; it operated an insurance system insuring 225,000 parcels. In its c.o.d. system it handled over 8,364,000 c.o.d. articles. It provided a registration system handling 18,500,000 orders. It gave rural delivery to 368,758 rural boxholders. It operated 57 air mail services with a total route mileage of 29,095 miles.

The number of employees required to operate and maintain the Canadian postal service at its present high level of efficiency is approximately 46,000, which is approximately one-third of the civil servants serving the country. This covers staffs at headquarters in Ottawa, the operating service in the field, the revenue postmasters and their assistants, and mail contractors.

This is a brief statement of what has been accomplished during the past fiscal year. I cannot let this occasion go by without expressing my appreciation of the loyal and efficient service given by the employees of the department generally in their desire to continue to make the postal service of Canada the best of all.

On the question of mail couriers, the hon. member for Peel said that we pay salaries scandalously out of proportion to other salaries. The first remark I would make is that it is not a salary because all rural mails are carried on tender. If I may answer the hon. member for Temiscouata at the same time, I would say that the very considerations that he himself gave with reference to the various hills or conditions of the land make it practically impossible for us in the department to fix a uniform salary throughout Canada, or even to establish any sort of zone where salaries could be paid. We feel —and I think we are correct in this assertion —that the rural couriers themselves when they are making their tenders know the conditions of their land much better than anybody else, and that that should determine the prices that should be paid per mile in the various areas.

In this connection I might say that the average price per mile paid to the rural mail couriers since 1939 has increased by 65·5 per cent, which I think corresponds to the increase in the cost of living, and also corresponds to the increase that has been given other civil servants.

Mr. Graydon: The minister thinks they are getting enough?

Mr. Rinfret: I am not in a position to answer that. They themselves fix the amount that they are to receive, because they are the ones who make the tenders. If at the present time a courier feels that he is not receiving sufficient for the services he is performing he has the right under his contract to give three months' notice to the department, and the department will have to call for tenders. If the amount that is actually paid is not met by a smaller tender, or if the tenders for similar service are higher, the department will have to accept the higher tender unless they can get a reduction in it.

Mr. Graydon: May I ask the minister this one question? Why should they be singled

out as the only branch of the public service that must have their jobs given by tender?

Mr. Rinfret: It is not a job that they are performing; it is a contract that they have with the government. I know of no contract that is given by the government except by tender. In 1939 the average cost per mile per annum—that is a daily frequency—was $32.35. In 1950 it had gone up to $53.55, which, as I have just said, equals an increase of 65.5 per cent. May I at this time answer the hon. member for Temiscouata. The price per mile throughout Canada is as follows. Unfortunately I cannot give him the information by provinces, but I will give it to him by district. In Vancouver the average cost per mile, based on a service of six times per week, was $71.53, which represented a cost per box per annum of $7.43. As I continue I shall give the two figures that represent these two things. At Edmonton, $60.41, and $14.18; Calgary, $56.48 and $14.96; Saskatoon, $60.02 and $16.38; Moose Jaw, $62.36 and $16.72; Winnipeg, $60.08, and $14.67; London, $52.27 and $13.21; Toronto, $54.49 and $12.84; North Bay, $57.92 and $19.27; Ottawa, $49.44 and $17.49; Montreal, $51.72 and $15.25; Quebec, $52.77 and $16.87; Saint John, $51.45 and $19.68; Halifax, $55.54 and $18.33 and Charlottetown, $53.18 and $17.07. As I have already pointed out, that represents service to 368,758 rural boxholders. It represents a daily mileage of 101,452.5 miles.

On the question of rural mail, I know that my hon. friend is very much interested. We have a long-range plan that we are working on, but we feel that by putting it in operation too soon we would disrupt the service as it is at the present time.

We have more than 5,000 rural routes at the present time. Those must be permitted to operate, and we find it necessary to make changes from time to time.

Mr. Graydon: Is the minister considering inaugurating a system similar to that which has been introduced in the United States?

Mr. Rinfret: I was about to deal with that question. In the matter of suburban delivery one must always keep in mind density of population. I am not ready to follow all the practices in use in the United States, one of the chief reasons being that at the close of last year they showed a deficit of $551 million. I think therefore that if we were to put into operation all their practices—I shall not call them schemes—we might find ourselves in a bad financial position.

We are considering however the possibility of giving added service to suburban areas. We have our regulations which must be followed. The difficulty is that there is always a limit as to the points on the outside of villages, towns or cities, which can be served. At what point are we to stop? If we stop at one place we will find some person perhaps only 75 or 100 yards farther on who would want the service. If we agree to give that service, then we will find another one perhaps another hundred yards farther on who will expect to have delivery.

For these reasons standards have been established. The distance, for two deliveries per day, is up to twenty yards; for one delivery it is between twenty and forty yards; and, generally speaking, over forty yards delivery is not warranted. That is the standard upon which we have based our operations.

Mr. Graydon: But that is a city rather than a suburban delivery service.

Mr. Rinfret: As a city grows the suburban areas are taken in. As I said earlier, we are considering another plan at the present time. However, it has not yet been advanced to the stage where I can give any particulars with respect to it. This very point has been considered, because we feel that this may be one place where our service is not quite equal to our usual standard.

The hon. member for Temiscouata asked when the service in Riviere du Loup is to be inaugurated. That is one point where it is possible a service may be established this year. In order to obtain letter carrier service we have established certain standards. The first of these is that there must be at least two thousand points of call, and the postal revenue collected must be more than $35,000. Walking conditions must be good, and there are certain other conditions which must be complied with. As soon as the various centres on the verge of becoming letter carrier centres meet these conditions we will give the service to them.

The hon. member for Temiscouata also referred to the bonus which, until March 31 of last year, was given under the legislation. To my mind this legislation was tantamount to giving to the Postmaster General complete discretion in respect of each of the rural contracts in this country. I do not believe that is what the House of Commons would want.

When about fifty years ago the system was established of giving full discretion to the Postmaster General in all mail contracts below $200, that represented about 87·6 per cent of the contracts. Today, however, that $200 represents only 17·6 per cent of the contracts. That legislation under which the Postmaster General was given full discretion gave him authority, not only over the 17·6 per cent,

but over 100 per cent of the contracts. I am sure hon. members would not be prepared to accept that.

Mr. Graydon: When the bonus system was inaugurated one of the weaknesses was that, unless a rural mail courier knew about the legislation and made application for the benefits thereunder, he was forgotten. In my own constituency I wrote to all the rural mail couriers telling them about the legislation, and in this manner they were informed. I am not sure that was done throughout the country, however. There must have been hundreds of rural mail couriers who did not know they were entitled to a bonus until it was too late for them to get it. I am sure that if the minister looks at the records he will find that the great proportion of rural mail couriers across the country were denied the right to the bonus because it was not made general. Why it was not made general, or why they were not notified with respect to it, I cannot say.

Mr. Rinfret: It was fully publicized at the time.

Mr. Graydon: All people do not read the same newspapers.

Mr. Rinfret: It was in all the papers.

Mr. Fleming: Mr. Chairman, I should like to open my remarks this afternoon in the same way as did the hon. member for Peel prior to the noon adjournment, by expressing my personal pleasure at seeing the Postmaster General back in his place in the house, and looking the picture of health. It is a pleasure indeed to welcome him back to his post and to his duties.

The Postmaster General has just concluded his remarks on one subject concerning the administration of his department by what I thought were commendable references to the undesirability of extended discretionary authority in him as Postmaster General. I could not ask for a better theme for the few remarks I am about to make.

May I say at the outset that I am directing my remarks to the principle involved in a subject that has been dealt with on several occasions during the present session. One recalls the discussions on April 18, May 9, May 16 and May 24. I participated in the discussions on two of those occasions. Today I do not propose to traverse the ground covered on those occasions, but so far as possible shall focus attention on the principle involved in the exercise by the Postmaster General or officials of his department of powers conferred upon the Postmaster General by section 7 of the Post Office Act.

We are told that the powers conferred by this section upon the Postmaster General go back to 1889 in their origin, that they have not been changed since, and that the powers thus conferred are widely used. We are told, for instance, that there are about 1,100 orders outstanding at the present time denying the use of the mails to persons in Canada. Only yesterday an instance was brought to our attention where this power was exercised in the case of the Calgary Stampeders, where they and certain persons associated with them have been denied the use of the mails.

The powers conferred by section 7 (d) empower the Postmaster General, subject to the provisions of the act, to make regulations declaring what shall and what shall not be deemed to be mailable matter for the purposes of the act. Then there are certain direct instances cited and we have these important words:

> . . . and for marking on the covering of letters, circulars or other mailable matter suspected to concern illegal lotteries, so-called gift concerts, or other illegal enterprises of like character, offering prizes, or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, whether such letters, circulars or other mailable matter are addressed to or received by mail from places within or without Canada, a warning that they are suspected to be of a fraudulent character and for returning such letters, circulars or other mailable matter to the senders.

I invite the attention of the committee to one fact that seems to me to be of fundamental importance in the interpretation of this section. It is the emphasis placed upon the words "fraud" and "fraudulent". The section does not simply stop with a reference to such things as illegal lotteries and so-called gift concerts. It goes on to refer to "other illegal enterprises of like character, offering prizes, or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences." In the concluding words it is made clear that this applies "whether the letters, circulars or other mailable matter are addressed to or received by mail from places within or without Canada," and that power is given to attach a warning that these are suspected to be of a fraudulent character. It is quite clear, sir, that the power is intended to be confined to use in cases where fraud exists or is, on reasonable grounds, suspected to exist, and in the latter case a warning that the contents are suspected to be of a fraudulent character may be given by the marking of certain words on the envelope.

It seems to me that in the interpretation of this power, and of regulations 204 and 206 passed under the authority of the act, sight has been lost of the fact that it is only in cases where fraud exists, or the scheme that is suspected is of a fraudulent character or designed to deceive or defraud the public for

the purpose of obtaining money under false pretences, that the power was intended to permit refusal of the use of the mails to any person. Section 204 of the regulations passed under the act largely repeats the language I have just read from section 7(d). Again the emphasis is placed upon the word "fraudulent". The regulation adds:

. . . it is hereby declared that no letters, packet, parcel, newspaper, book or other thing, sent or sought to be sent through the post office by or on behalf of or to or on behalf of such person shall be deemed mailable matter.

Section 206 of the regulations is declaratory in its nature. It provides:

The Postmaster General has power, under the statute, to mark or cause to be marked upon the covers of letters, circulars or other mail matter suspected to concern schemes devised or intended to deceive or defraud the public for the purpose of obtaining money under false pretences, whether such letters, circulars or other mail matter are addressed to or received by mail from places within or without Canada, "suspected to be of a fraudulent character"—

That quotation is taken from the words of section 7(d). Then it proceeds:

—and to return such letters, circulars or other mail matter to the senders.

The Postmaster General's department has attempted to exercise this power in cases where no fraud existed or could by any stretch of the imagination be suspected. The case I referred to on an earlier occasion was one in which the Leaside Lions club, a highly reputable organization, was conducting a raffle as part of a money-raising effort to assist the Manitoba flood relief fund. On that occasion the Postmaster General's department, regardless of the worthiness of the cause, regardless of the fact that the police in the area had been made aware of the fact that lucky number prizes were being offered in this way and that tickets were being sold, stepped in and denied the use of the mails to the club and to the chairman of the committee in charge of the raffle for the club. The ban affected his personal mail as well as mail received by him on behalf of the club. The Post Office went so far as to return mail in which his own pay cheque was being received from his employer.

Mr. Graydon: Shame.

Mr. Fleming: When the power is exercised or attempted to be exercised in a case of that kind, where there can be not even the slightest suspicion attached to those concerned and no suggestion whatsoever of the scheme being fraudulent or intended to deceive the public, then I think two facts are laid bare before the house. The first is that the Postmaster General's department is undertaking to use this power in cases where the statute does not authorize it, and in the second place, this legislation must be brought under review by the House of Commons.

We have courts to deal with offences against the criminal law. We have a considerable volume of criminal law in this country. Surely it is not the intention of the House of Commons, in carrying forward on the statute books the Criminal Code and legislation of a similar nature, to leave it to a department to step in and create criminal law, or to set itself up as a body that assumes the function of filling in any gaps that may have been left in the criminal law enacted by the parliament of Canada. That never was and never could have been the intention of parliament in 1889 in enacting section 7(d) of the act. If there are gaps in the criminal law today it is the duty of the government, and particularly of the Minister of Justice, to bring legislation before the house to be enacted for the purpose of filling the gaps in the criminal law, but it should not be left to officials of a department to create law or to take upon themselves the function of the parliament of Canada.

On the question of enforcement, with all respect to the officials of the Department of the Postmaster General, it seems to me that in the case I mentioned—and there must be many others like it such as that of the Calgary Stampeders mentioned yesterday—the matter of law enforcement could very well be left to the law enforcement officers of the area concerned. There are efficient law enforcement authorities in these areas without requiring some special supplement by officials at Ottawa in a department whose principal concern is not the enforcement of the criminal law. The instances I have cited cannot be said to be in any way similar to the case conjured up by the Minister of Justice on a previous occasion during the present session where the offence involved the purchase and sale of securities and he contended it was not covered by the provincial law. Here is a situation which may have been a lottery but certainly could not be said to involve any wilfully illegal lottery, and by no further stretch of the imagination could be said to involve any attempt to deceive or defraud the public.

I think great care must be taken by the post office authorities in lottery cases. I do not propose here today to discuss whether lotteries are right or wrong. I suspect that the view I entertain on the subject of lotteries per se would not be any broader than the view of the Postmaster General, but not every lottery is illegal under the Criminal Code. Section 236 of the Criminal Code, while making certain games of chance and lotteries illegal and attaching penalties for

breaches of the law, goes on in subsection 6 to provide that the section does not apply to a considerable list of things, five in all, which otherwise obviously would fall within the definition appearing earlier in the section; and included in that list is the following:

6. This section does not apply to

(b) raffles for prizes of small value at any bazaar held for any charitable or religious object, if permission to hold the same has been obtained from the city or other municipal council, or from the mayor, reeve or other chief officer of the city, town or other municipality, wherein such bazaar is held, and the articles raffled for thereat have first been offered for sale and none of them are of a value exceeding fifty dollars.

I do not say that in the case of the raffle conducted by the Leaside Lions club the prize was not worth more than $50, but I cite this section of the act to lay emphasis upon the fact that not every lottery is illegal under the Criminal Code, and that in any case not every illegal lottery gives the minister occasion to exercise power under section 7 (d) of the Post Office Act. It is only in cases where it is part of a scheme to defraud or deceive the public for the purpose of obtaining money under false pretences that power is given to ban the use of mails.

On an earlier occasion during this session we heard an interesting discussion by the Minister of Justice with respect to the discretion conferred by this section upon the Postmaster General. I regret that the Minister of Justice is not here now, because I should have liked to address these remarks rather directly to him. He sought to place before the house the argument that this was not a power that could be exercised capriciously by the Postmaster General; that if his use of power was arbitrary or capricious it was open to any person aggrieved to resort to the courts in an action against the Postmaster General. I have read the case to which the Minister of Justice referred on that occasion in support of his argument. I cannot find that it lends any colour or justification to his argument. It is well established law, of course, that any public officer who exceeds the authority conferred by any act is liable to an action in the courts by any person aggrieved by that act, so far as it is not justified or authorized by statute; but that is very different from saying that if the Potsmaster General confines himself to his statutory powers, yet exercises those powers in a capricious or unreasonable way, any person can bring action against him. The decision referred to falls far short of laying down any such proposition. The case is Literary Recreations Limited *v.* Sauve and Murray, reported in 58 Canadian Criminal Cases at page 385. This was a decision in 1932 of the Court of Appeal of British Columbia, and the headnote reads:

Under the Post Office Act . . . and the regulations made thereunder, the Postmaster General of Canada has the right to determine what is "mailable matter" and has a discretion to prohibit the use of the mails for the sending of non-mailable matter, and his discretion is not open to review by a court.

One would have thought that was very clear, but if the Minister of Justice still persists in an unsound argument I invite his attention to the language used by Mr. Justice McPhillips at page 391, where the learned justice refers to parliament and deals with this very section 7(d) of the act and regulations 204 and 206. He had this to say:

The legislature having clothed the Postmaster General with these extreme powers—

I pause there to draw attention to this very apt description applied to these powers by the learned justice of appeal.

—but I have no doubt proper powers concerning the question of peace, order and good government —it is not within the province of a court of justice to say what is the reasonable use of the conferred powers granted by statute. That is to say the discretion given by statute to the Postmaster General is an unfettered discretion to determine what shall and what shall not be deemed to be mailable matter.

In my humble submission the matter could not be put more clearly. The court there is saying that the discretion conferred upon the Postmaster General by section 7(d) is an unfettered discretion, and no court has the power to review the exercise of that discretion or to say whether it is reasonable or unreasonable. It is only when the Postmaster General goes completely outside those powers that any person aggrieved by his act has a right against him in the courts. So, Mr. Chairman, I submit to the committee that the argument addressed to the house on a recent occasion by the Minister of Justice was completely unsound.

I go on from that to this point. This discretion, being unfettered and not open to challenge or review in the courts, is so broad, especially having regard to the striking instances in which it has been exercised of late, that I earnestly submit that this house must assume responsibility for reviewing this legislation. If legislation of this kind is capable of such arbitrary use, if the use of the powers conferred under it is not subject to review by a court, then I submit it is high time this parliament qualified the powers conferred upon the Postmaster General by this act. No official of government, however reputable he may be, or however sound his judgment, has any right to possess powers as sweeping as these without any recourse on the part of those thereby affected to a court

or other body by way of review of his decisions. The rights of people as citizens are being freely interfered with. In the case to which I referred a reputable citizen of the community, engaged in charitable work out of which he was not receiving a cent but to which he was contributing a great deal of time and effort, has his personal mail stopped as well as the mail of the Leaside Lions club, in whose behalf he was engaged in this charitable work. I think it is high time this house took steps to see that this power is not left in the unfettered and untrammelled form in which it seems to exist today.

Therefore I repeat, Mr. Chairman, that the time has come when parliament must take the responsibility of limiting this power, making sure that it is not capable of being used in any case where fraud is not involved, and also that where the power is exercised it is subject to review in the courts in a speedy manner. In concluding his remarks on May 16, at page 2534 of *Hansard*, the minister said something that was very sensible. I believe many of us in this house hoped that the hon. gentleman would follow up the sound views and good intentions he expressed on that occasion by introducing legislation to give effect to them. These were his words:

I do admit, Mr. Speaker, that the remedy presently available to challenge an action—

That is to say, an action by the Postmaster General in the purported exercise of his power under section 7(d).

—if it happens to be arbitrary is a little difficult from the legal standpoint.

Now, it is something to wring a statement like that from the Minister of Justice on an occasion of this kind. He proceeds:

We have been quite frank with this house in saying that the present remedy is not very satisfactory. It may cause a legal delay . . .

May I interject again, sir, to point out that what the Minister of Justice was referring to as the "present remedy" is a remedy that exists only in cases where the Minister of Justice has gone beyond the powers conferred on him by the act. Even in those cases the remedy, according to the Minister of Justice, is admitted to be not very satisfactory. He continues:

It may cause a legal delay, and it may in that way create secondary effects upon the offending person which are out of all proportion to his deserts. The move which we have under consideration, therefore, is that of providing an appeal from the order, and not an obscure appeal or an appeal which will take a long period of time, but a summary appeal. Once an order had been made, the citizen offended could make a quick application to the courts and get the whole matter before a judge, with the power to bring in any relevant evidence which he could adduce in addition to that which the Postmaster General considered. Then the whole matter could come before the courts in such a way as to completely minimize the harm that would be done to an innocent person.

Mr. Chairman, where is the legislation designed to provide that summary appeal to the courts, the necessity for which was acknowledged by the Minister of Justice when he spoke in this house on May 16? We have waited hopefully for it, and we are now told, in these closing days of the session, that no more legislation is to be introduced at this session of parliament. It must be a matter of very grave regret, Mr. Chairman, on the part of all members of this house who dislike arbitrary powers, and dislike even more the exercise of arbitrary powers where they can be found to exist in the statute books. While the Minister of Justice and the government delay introducing legislation to provide a remedy, which the Minister of Justice admits to be so necessary, the arbitrary use of the power continues. The member for Calgary West has drawn to the attention of the house an incident this week illustrating the further use of this power under arbitrary circumstances. This points even more directly than ever to the necessity for action on the part of parliament to put an end to this arbitrary power; to remove the breadth of this power; and the necessity of providing that powers of this kind, as well as the arbitrary exercise of which they are capable, as we have seen in those cases, in the hands of the Postmaster General's department, are made subject to review by the courts.

In most cases the decision of a judge in the courts is subject to appeal. There are few cases in which we leave a matter to the decision of one man. Even judicial determinations in a judicial tribunal are subject to a right of appeal in all except a relatively few cases. Yet today, from the exercise by an official or the minister of the power conferred upon him by this section, there is no right of appeal. How long can this parliament tolerate the continuance of a situation of that kind, sir? I submit to this parliament that a remedy must be provided of the kind acknowledged by the Minister of Justice to be needed, and shown now by this further exercise of this arbitrary power in an irresponsible way to be so necessary at the present time that it can brook no more delay.

Mr. Rinfret: Mr. Chairman, I should like to answer the last part of the argument put forward by the member for Eglinton. I still have ringing in my ears the arguments that were put forward last week when the Indian

Act was brought before this house. Practically every member on the other side of the house said that this late hour in the session was no time to present new legislation; yet today we are told that, even at this late hour in the session, we should introduce new legislation. There seems to be a direct contradiction in those statements. I was under the impression that this matter had been threshed out. The Minister of Justice presented the judicial position, and the Solicitor General, as the Acting Postmaster General, gave the circumstantial evidence in this case. I am not going to take the time of the house to review the whole question. I must say I think the member for Eglinton was very clever in presenting the argument he did, because he continually mixed up the question of lotteries with that of the brokers.

Mr. Fleming: I did not say a word about brokers.

Mr. Rinfret: The whole argument was based on the action that was taken against the brokers.

Mr. Fleming: No.

Mr. Rinfret: That was the whole argument, as I understood it.

Mr. Fleming: I am sorry that my friend was not here, and the whole house regrets his absence due to illness. Altogether there were three occasions involving the use of this power which have been discussed in the house. The first related to the question of the brokers; the second was an incident I brought up in connection with the denial of the use of the mails to the Leaside Lions club. I did not say a word about brokers, Mr. Chairman, but I did speak about the denial of the use of the mails to the Leaside Lions club. The third matter to which reference was made was the denial of the use of the mails to the Calgary Stampeders. Those incidents have been touched upon in this house at this session. I did not mention the brokers today.

Mr. Rinfret: I am sorry to contradict the member for Eglinton but when he cites the statement of the Minister of Justice at page 2534 of *Hansard*, in which the minister mentioned an appeal, the minister was dealing with the situation in regard to the brokers. If he did not intend to speak about the brokers' situation, I do not know why he referred to that statement by the Minister of Justice on the question.

The powers under the act are very precise. Section 7 of the act says:

> The Postmaster General may, subject to the provisions of this act,
>
> (d) make regulations . . . for marking on the covering of letters, circulars or other mailable matter suspected to concern illegal lotteries . . .

The member for Eglinton has given us the definition of what constitutes an illegal lottery according to the Criminal Code. A legal lottery is one in which the prizes offered are no more than $50; where it is for a charitable purpose; and where a permit has been obtained. When any one of these three conditions does not exist, that is where the prize is more than $50 or when the purpose is for other than charity, or when no permit has been obtained, it is an illegal lottery and has to be treated accordingly under section 7 (d). We do not stop the mails for any lottery which is legal. We have never stopped the mails in any such case. In the case of the Leaside Lions and the Stampeders, the prizes were for much more than $50 and therefore did not come within the exceptions the hon. member has mentioned.

I continue to read from section 7 (d):

> . . . so-called gift concerts, or other illegal enterprises of like character, offering prizes, or concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences, . . .

As hon. members can see, section 7 (d) gives the Postmaster General authority to make regulations, and in this connection—

Mr. Fleming: Will the minister permit a question?

Mr. Rinfret: Yes, but before that I should like to pay a compliment to the member from Eglinton. I should like to compliment him and the others who have brought this matter before the house for giving the public in general throughout Canada the possibility of knowing what the postal regulations are, how rigid they are and, with the idea of saving quite a lot of money in publicity, telling the various people who would like to put in schemes like that through the mails that they have no chance of passing through.

Mr. Fleming: I thank the minister for his remarks. From his closing remarks I was not clear whether he interprets section 7 (d) as giving him power to deny the use of the mails in the case of "illegal lotteries", period. I think it is quite clear that the words "illegal lotteries" are qualified by the following words:

> . . . concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences . . .

I think that is quite clear.

Mr. Rinfret: The context reads:

> . . . to concern illegal lotteries, so-called gift concerts, or other illegal enterprises . . .

The word "or" I suppose should have been put in after every one of those things, but the context I think is clear. If I may continue—

Mr. Fleming: Does the minister not agree that the following words:

. . . concerning schemes devised or intended to deceive or defraud the public, for the purpose of obtaining money under false pretences . . .

qualify the words "illegal lotteries"?

Mr. Rinfret: I am sorry, but I have to disagree with that interpretation. As a matter of fact, the interpretation that the department has had from prominent solicitors also disagrees with what my hon. and learned friend wishes to convey at this time.

I may say that on this question of the broker-dealers there was a long discussion while I was away and there has been some discussion since I came back. The discussion that took place since I have been back did not take place in this chamber. I had occasion, with the Minister of Justice, to meet the representative of the brokers' association and we discussed with Hon. Mr. McTague the various circumstances surrounding this matter. The Minister of Justice, in his letter of May 2 to Hon. Mr. McTague, indicated that if the broker-dealers organization wished to present a brief on any of the matters under the Post Office Act in which it has an interest, the government would be glad to give such representations most careful and thorough consideration.

The broker-dealers association accepted this offer and a brief was prepared which was presented on behalf of the association by Hon. C. P. McTague on June 12. The Minister of Justice and the Postmaster General represented the government.

As a result of the ensuing discussion, it was agreed that in future, where complaints or information indicated that the mails were being used for fraudulent purposes, before prohibitory action was taken by the Postmaster General the cases would be reviewed by a special board appointed for that purpose. The alleged offenders would have an opportunity of appearing before the board, and would be allowed the services of counsel, if so desired. The board would also be permitted to have the advice of such technical and professional assistance as it might deem advisable. Evidence would be taken under oath.

The board would comprise the following officials: director of administration, chief post office inspector and the departmental solicitor. The place and time of the hearing would be determined by the Postmaster General, and due notice would be given to those concerned. Any costs or expenses in connection therewith incurred by the alleged offenders or those acting in their behalf would be borne entirely by them, irrespective of the eventual finding of the board.

In cases where the board considers that there is evidence to the effect that the person or company has used the mails with intent to deceive or defraud, or to obtain money under false pretences, it shall so be reported to the Postmaster General who, if he finds that there is evidence satisfactory to him that the person or company has used the mails with intent to deceive or defraud, or to obtain money under false pretences, shall thereupon cause to be issued a fraud or prohibitory order denying the use of the mails to the offenders for any such improper purpose.

Initially, the board would be set up and the related procedure formulated and established under the powers vested in the Postmaster General by the Post Office Act, sections 7 (*x*) and 8.

At a future session the authority could be specifically included in the act itself which is due for revision. This would remove any doubt of the future continuance of the arrangement outlined, and preclude any modification thereof without consent of the house.

The board has been established, and any cases which are now being examined by the department, on the ground that the mails are being improperly used, will be submitted to that board for review in accordance with the procedure herein outlined.

I may say that this matter has been fully discussed with Hon. Mr. McTague and he agreed as to the procedure that is outlined here, that this protects the interests of the brokers or the interested parties, or at least affords them the opportunity of being heard before the prohibitory order is issued.

Another matter that has been discussed with Mr. McTague is the question of appeal. It was recognized by Mr. McTague that the question of appeal was quite a tricky one and that it would require more time than we had before the end of the session in order to establish the proper procedure to be followed. However, we recognized by these instructions, which have already been given for the constitution of this board, the possibility of an appeal because we want the evidence to be taken under oath and in writing which would form the basis of any possible appeal to a tribunal or other board that might be decided on in the future.

We also discussed with Mr. McTague the possibility of launching criminal prosecutions. While I was away there was discussion in the house to the effect that we had no right to stop the mails of any broker without afterwards launching a prosecution. I have in my

hand—and I am authorized by Mr. McTague to cite it—a letter dated June 16 which reads in part as follows:

> I think we are prepared to admit the proposition that the Postmaster General should not be obliged to launch a criminal prosecution. That might be left to his discretion. Some definite provision, however, should be made that a person so convicted of misuse of the mails should have the right to apply to be allowed mail privileges again upon such terms, conditions and undertakings as may be imposed or required by the Postmaster General.

I was not here to hear the leader of the opposition make an objection as far as this was concerned. We were accused of putting a gun to the heads of these various persons in order to oblige them to sign certain guarantees. If it had been our intention to launch criminal proceedings, I would have said that that was the case. But I should like the leader of the opposition to tell me how it was possible to restore the mailing facilities to these persons unless we had certain guarantees. Surely he is not going to pretend that we were going to leave this stoppage of mail forever. Therefore some means had to be provided whereby we could restore the facilities, and this is exactly what Mr. McTague said: that some way should be discovered in order to return or to restore the mail facilities. We have asked those brokers to give us (a) an assurance to the satisfaction of the Postmaster General that in future the offensive literature in question will not be sent through the mails; (b) the company, the shares of which are being offered to the public, will undertake that no literature shall be sent through the mails in connection with the sale of the shares without its approval; (c) the broker dealer will give an unqualified assurance that he will not make any improper use of the mail in future in connection with the issues of shares.

One other matter we discussed with Mr. McTague was the definition of the word "fraud". He thought that on this proposed board there should be somebody properly qualified in the field of what constitutes fraud in the legal sense. When I spoke to Mr. McTague after this and told him that it was our intention to have the departmental solicitor acting as part of this board he was completely satisfied on this score. This is how the matter rests. The board has been constituted. Companies or individuals dealing with fraudulent ventures will receive a notice from the Postmaster General to appear on a certain day. They will have an opportunity to give the evidence that they wish to present. They will have their counsel and all the experts they need. The evidence will be taken in writing under oath, and the whole factum will be deposited before the Postmaster General for decision after they have been heard.

[Mr. Rinfret.]

As has been said by the Minister of Justice, it is the intention of the government, as soon as the matter has been finally determined, at the next session to ask for permission to constitute a body—it might be a tribunal, we have not decided yet—where an appeal could be launched against the decision of the Postmaster General.

What makes this question of procedure a little tricky is the question of lotteries. The procedure I have outlined touches only the broker-dealers organization. We cannot possibly adopt the same kind of formula procedure in the question of lotteries, because by delaying this procedure before this investigation board the person conducting the lottery could very well keep the mailing facilities until such time as the lottery had been concluded. We do not wish to be in that position, because we want to be able to fulfil the obligation that is ours of protecting the Canadian public.

Reference has been made to the sweeping powers that have been given to the Postmaster General. Well, I think reference should also be made to the very great responsibility that the Postmaster General has of protecting the whole population of Canada, thirteen million people, against some scheming people. I am not saying that every person against whom we stop the mail is a scheming person, but I do say that unless in the process of things we do catch some innocent people we shall soon be faced with a multitude of schemes that will put the population of Canada in very great danger.

Mr. Smith (Calgary West): I have no intention of entering into any discussion with respect to brokers, honest or dishonest. I agree with what the Postmaster General has said, namely, that where there is fraud we should have wide measures not only to limit but to destroy the means and methods by which these frauds are being perpetrated. But that is not what I have in my mind. On the streets of Ottawa and on the streets of every city in Canada there are motorcars publicly advertising and inviting you to buy a ticket. The sum of money that you pay varies between fifty cents and a dollar, in order that you might have the opportunity of telephoning your wife on a given day and saying: "Wife, you have got a new motor car."

At noon today I bought a ticket for a dollar. It is called "CHML Dream Home." It is for the city of Hamilton flood relief fund. His Worship Mayor Garnet Coulter of Winnipeg will present the dream home in Hamilton on Wednesday, July 5, 1950. This is for the Manitoba flood relief fund. No one is going to tell me that this department is ignorant of what is going on there, and it

has done nothing. Yet when a little football club in which I am interested, and from whom nobody makes any money, puts on a raffle they choose—I will repeat the words—this bureaucratic, arrogant, stupid method of enforcing the wishes of some servant somewhere down the line. What happened? Every football club in Canada is doing exactly the same thing. It is common knowledge. We all know it. The minister can stand up and say: "I have a regulation here; they are in breach of it." Suppose we are. I do not think we are, but suppose we are. What has happened? Why are we singled out for punishment in this arbitrary and extraordinary manner?

Let him remember, and the people of his department remember, that there are provisions in the Criminal Code whereby persons connected with or conducting lotteries can be punished. Why do they now—I am not worrying about the legal right—in fact step in and usurp the function of every provincial court in the Dominion of Canada? —because our courts are provincial courts. Why do they do it? It is nothing but stupid—slipshod is too mild a word—it is nothing but a stupid move made by some bureaucrats in charge of the business. They need not tell me that the attorney general in any province has not acted. He does not need to act. Anybody who is aggrieved in the Dominion of Canada may sign and swear to an information when he sees wrongdoing, if he has courage enough to sign that information. But that is not the way this is done.

I have no doubt that the Stampeder football club are raffling a car. They have done it every year since I can remember. They have used the mails very, very little. I venture to say that all they have got is some returned tickets, and they have not got one ever sent out by the Stampeder football club. But then they go further. This is what they have done. Mr. T. L. Brook is a friend of mine. He is president of the Stampeder football club. He is a prominent businessman. He, as an individual, has done as much to promote the oil industry in that province as any other individual. They have stopped his personal mail until the 14th day of July. Talk about czarism; use any word you like! To treat Tom Brook in that way because he happens to be president of the second-best football club in Canada is, it seems to me, carrying the law a tremendous distance. You are making a laughing stock of it when you are carrying it to such absurd lengths. There has been some discussion most certainly in the newspapers, and probably in the house, although I am not sure about it, concerning our franking privilege. I know I am going to say something that will be unpopular with most hon. members. It is this: I personally am opposed to ourselves and those in the other place being granted the franking privilege, except for our correspondence. I believe that is essential and necessary. I am one however who is strongly opposed to a system whereby I, or someone else, making a speech in the House of Commons, am able to frank that by the thousand and send it all over the country.

Why do I say that? For this reason, principally: We happen to be those persons who have been elected and who, if we are but honest with ourselves, must admit that we are sending these words of wisdom to the electors so that we may be elected again.

Mr. Gibson: They may be able to judge us from our words.

Mr. Smith (Calgary West): If you wrote about me and I wrote about you they would not frank anything.

Our opponents have not that opportunity; and to my mind this process of mailing tons of mail from this building is propaganda for ourselves and taking an unfair advantage of those persons who do not agree with us and who might in fact oppose us when the next election comes along.

As I said at the outset, that may not be a popular statement. However, I submit it; there it is, and I believe it. I want the Postmaster General to tell me this: Who in Canada are entitled either to frank or to send free mail? I know that is true of members of the House of Commons and of the other place. I know it is true of government departments. What I am particularly interested in is this little word in black print, "free", on the upper righthand corner of an envelope. I want a definite answer to this: Aside from those of us who frank by putting our names or initials on our mail, and besides departments which have some way of marking their letters, what persons or groups of persons in Canada, if any, have the right to send mail free through our post office? I would ask the minister to take time to consider my question because I have reason for wanting to have the list he gives very accurate indeed.

Mr. Rinfret: Let me say to the hon. member for Calgary West that I completely agree with him on the question of the franking privilege. However, I must say it is impossible to control the mail because we have no way of opening envelopes to know what is in them. We must rely upon the honour of anyone who has a frank not using it for purposes other than those for which it was meant. But I agree with the hon. member that it should not be used for any purpose other than correspondence.

Replying to his second question I would refer him to section 42 and following of the Post Office Act, chapter 161, where it refers to the franking of free mail material.

Mr. Smith (Calgary West): That is all-embracing?

Mr. Rinfret: Yes, it is.

Mr. Drew: Are there any cases not covered by that section whereby any organization of any kind has the privilege or is able to obtain the right to have the word "free" stamped on the upper righthand corner of an envelope?

Mr. Rinfret: The answer is no.

Mr. Hosking: I should like to bring a message from the members of my constituency to the Postmaster General. We are pleased to see him able to assume his duties again. I am sure we are all hoping that his health is as good as it would seem to be.

May I pay a compliment or two to those who organize and direct this great service in this dominion. When we think of posting a letter in Vancouver and having it delivered in Halifax without loss or restriction and for the very small sum of four cents, we must be at once aware of the great service thus rendered. If we are willing to pay an additional ten cents we can have it delivered in person, and if we wish to transmit money we can be sure that it will be received without loss. May I commend the staff that carry out the duties and make this great service possible for the people of Canada.

My constituency is located in Upper Canada. Many of its citizens were United Empire Loyalists. The descendants of those people still believe that their representative in parliament is the representative in the House of Commons, and that as such he has duties to perform. Therefore when I mention the great and good work of the department I allow myself to bask in some of the credit.

It is because of accepting some of that credit that I now call the attention of the committee to some of those things which I do not feel reflect credit on the department. Because I am a member representing a constituency I feel it my responsibility to place these facts before the minister.

In my riding I am served by a postman who has carried the mail since 1926. In 1924 he wrote two examinations, one for postal clerk and one for mail carrier. The record of his having tried these examinations appears to have been lost. For a number of years he has performed in an excellent manner, and without loss of time through sickness the duties entrusted to him. For the past four or five years, whenever there has been a man short in the postal department, this man has been called in to act as clerk, and has been entrusted with the sorting of the mail, the registering of parcels and the selling of stamps. Indeed, he has performed those various tasks which are the duty of any clerk in a post office. I commend the choice of the Postmaster General in permitting this to take place. It has been most fortunate that for perhaps half of the last year he has been permitted to do this work, because during that time he has developed an arthritic spur on his heel and could not possibly carry the mail on his route every day without some days of easier work. It is with great pain that he walks his ten or twelve mile route every day. I quite realize that the civil service regulations are such that unless a man is qualified to hold a certain position he is not entitled to fill it. The record will show that he is not qualified to hold the position although he has been doing the work for the past number of years, by replacing those on sick leave or holidays, in order to assist the operation of the Post Office Department in Guelph. A week or so ago an hon. gentleman in my riding asked me to go for a ride with him around the city. I did so, and eventually I found myself following this mailman who was stepping gingerly on one foot. You could see that without doubt he was in pain every time the foot touched the sidewalk. This hon. gentleman said to me: "If that were a horse and you drove it ten miles every day on a mail route you would likely find yourself in jail."

I should like to point out to the civil service and to the members of the Post Office Department that that is not a humane thing to do. I should like to give a little more of the history of this man, and I hope the committee will bear with me while I do so. He joined a machine gun battalion in 1914 and learned to take apart and reassemble his machine gun in the dark. No papers were required for that. He was in the front lines and was wounded. A piece of shrapnel blasted away a section of his forehead, and he now has a silver plate in place of the original bone that God gave him. He was not questioned whether he had papers to qualify him to perform that duty. As a member whose constituents believe that he should represent them, I put this case before you, and I ask that between the Post Office Department and the civil service commission a slight bit of humanity be displayed, and that a good servant be rewarded in the way he should be.

Mr. Fraser: During the past few weeks I have had a number of protests from people in certain sections of Peterborough city because of the fact that in seven different postal districts deliveries have been cut from two to one per day. The districts now having only one delivery have been enlarged to take in other territory. I do not know the reason for the change but if the minister knows I should like him to tell me what it is. The seven postal mail carriers for these districts have to work six full days a week instead of the usual five and a half days worked by the other twenty-one postal carriers in the Peterborough district.

In addition, the seven carriers covering the districts where there is only one delivery a day have a lot of difficulty in sorting their mail in the post office. I know the deputy minister is aware that the Peterborough post office is an antique. We have been promised a new one since 1913. The seven postal carriers have to use a rope hoist to lift their mail from the ground floor to the second floor. When they have sorted it they have to use the hoist again to lower it to the first floor. As I say, they are working six days a week and the other twenty-one carriers only work five and a half days. I understand the seven working the full six days receive the same pay as the other twenty-one.

The Peterborough post office was built when the population was not more than 10,000. Today the same post office is servicing over 50,000 people. I should like the minister to check not only the question of the districts that have only one delivery a day but also the matter of the hours that these seven men have to work. I had a call from Peterborough the other night about an order in council, I believe it was, having to do with the five day week for civil servants for the summer months. I should like to know whether that applies to mail carriers. I should also like the minister to tell me if he can when the new federal building in Peterborough embodying the post office is to be started. I understand that the requirements have been presented to the Minister of Public Works. We have a new postmaster now. I believe the death of the former postmaster was caused partly as a result of the conditions he had to contend with in the old office. I hope that something can be done to speed up the construction of the new building. If the Postmaster General can say anything about the special features to be incorporated in it I should like him to do so. I understand that Mr. Blackwell, a Peterborough architect, has some of the plans, and I wish the minister would give me any information on that matter that he can. I should also like to know whether the men who are working six days a week instead of five and a half are allowed overtime. I notice there is an amount of $600,000 in the estimates for overtime.

Mr. Rinfret: The answer to the last question is no. We are well aware that there is great need for a post office in Peterborough city, and we are going ahead full steam to replace the present building. So far as the actual construction is concerned, of course you will have to look to the Department of Public Works for information as to that.

Mr. Fraser: What about the one delivery a day?

Mr. Rinfret: I will look into it. When we extend service we have to take this precaution, but I will look into the matter.

Mr. Fraser: The point I am getting at is that we had two deliveries before. Now you have extended the districts, but at the same time you are depriving people of two deliveries who had that service before, which is not right.

Mr. Rinfret: I will see what I can do about it.

Mr. Fraser: I know the Postmaster General will agree with me.

Mr. Cardiff: Has any effort been made in the past year or two to bring rural postmasters in small post offices under the civil service? I should like to refer to what was said by the hon. member for Kamloops on June 3, 1948, as recorded at page 4775 of *Hansard*. He said:

> I have three or four matters I should like to take up with the Postmaster General. The first is the question raised by the announcement made in the press, and I believe also in the house, to the effect that rural postmasters, or postmasters of small offices, were to be made civil servants. So far as I know, the necessary legislation has not gone through the house. Is it intended to introduce a bill this year, or is that to be done by order in council?

The then postmaster general replied:

> According to the rules, that is done by the Postmaster General himself. An explanation as to why it is done in that way would take some time, but I would point out that it has always been within the jurisdiction of the Postmaster General.
>
> It is true, as the hon. member says, that a greater amount of post office revenue and a greater number of postmasters are being brought under the civil service, with fair salaries. In the meantime, in respect of post offices with revenue of over $3,000, we are now taking care of rentals ourselves to ensure that we have better places in which to install our post offices. Also, if help is required we see that the salaries of the helpers are fixed by and paid for by the department. The postmaster will have a fixed salary. Postmasters in post offices with revenue of more than $3,000 will, we hope, be eligible for superannuation, if they are not too old. In this way they become permanent employees.

We are working on this matter. A beginning has been made and we hope to be able to continue. It will be remembered, of course, that there are over 12,000 post offices in Canada, and it will take considerable time before we can establish this procedure at every point.

The question I want to ask the Postmaster General now—

Mr. Rinfret: All that has been carried out. We have transferred 1,300 in the last two years.

Mr. Maltais: I have a simple question to direct to the Postmaster General arising out of a letter which I found in my box today forwarded by the Canadian peace congress, on which appears the name of Dr. J. G. Endicott. This letter was sent without a stamp, bearing the words "On His Majesty's service," and from what I have heard from time to time the activities of this organization seem to be more or less communistic. I should like to know who are permitted to send letters to members of this house without stamps, on His Majesty's service?

Mr. Rinfret: Letters addressed to members of parliament are of course on His Majesty's service.

Mr. Maltais: Perhaps my next question should be directed to the Minister of Justice, but I should like to know whether within the Post Office Department there is any machinery to investigate anything suspicious that may be going through the mail. It is not that I want to cast suspicion on this particular organization, but I should like to know if there is any machinery to investigate people having suspicious propaganda circulated and give an opinion as to whether they should be permitted to send material through the mail labelled "On His Majesty's service." I am not saying this is communist propaganda, but it seems very queer that letters promoting the Russian way of life should come to us bearing those words.

Mr. Rinfret: No one in the Post Office Department, not even the Postmaster General, with the exception of those in the dead letter organization, has any right to open a letter, so there is no way of knowing what is inside it, and therefore no way of knowing whether it contains propaganda, whether good or bad.

Mr. Fulford: I should like to call the attention of the Postmaster General to a matter of great historical importance to his department. Next year Canada will be celebrating the centenary of the issuing of our first postage stamps. Other countries in the world have celebrated their centenaries by holding expositions and issuing special commemorative sets of postage stamps. In 1940, for instance, which was Great Britain's centenary, they issued a set of six stamps containing on one side a reproduction of the original Queen Victoria one penny stamp and on the other side a modern picture of King George VI. In the United States in 1947 a special three-cent stamp was issued as well as a souvenir sheet of two stamps containing reproductions of the two original stamps issued by the United States post office. Within the empire, in the island colony of Mauritius, a set of four commemorative stamps was issued in 1948.

International exhibitions have been held in United States, Switzerland, Belgium, and France, and just last month in London. There is an organization in Canada known as the Canadian association of philatelic exhibitions which is arranging an exposition in Toronto to commemorate this historic occasion, to be held from September 21 to 29, 1951, and I am sure it will be the desire and intention of the Postmaster General and his department to co-operate with this association to the greatest degree possible.

The situation in Canada with regard to the issuing of postage stamps is somewhat different to that in most countries, owing to the fact that before confederation various provinces issued their own stamps. For instance, British Columbia and Vancouver island started issuing postage stamps in 1861, New Brunswick in 1851, Newfoundland in 1857, Nova Scotia in 1851, Prince Edward Island in 1861 and Upper and Lower Canada in 1851. That issue, of course, really marked the beginning of the issuing of Canadian postage stamps. The three prairie provinces never issued stamps. It seems to me it would be very opportune if a special commemorative set were issued in conjunction with this exposition which is to be held in Toronto, which it is hoped will attract visitors from all over the civilized world. Incidentally, stamp collecting is said now to be the most practised hobby in the world.

In issuing these stamps I hope and believe designs can be found which will commemorate the very fine stamps issued by the post office in 1851. I need hardly warn the Postmaster General not to repeat the mistake made by one Charles Connell, who when postmaster general of New Brunswick had a five-cent stamp engraved with his own likeness. That stamp never went into circulation, because the ridicule was so great that he ordered the entire issue destroyed. I know these remarks would not be applicable to the present Postmaster General. I feel confident that he and his officials will take into serious consideration the issuing of appropriate stamps which will bring to the attention of

the world the fact that Canada was one of the first countries to use the postage stamp as a means of prepaying mail.

Mr. Cardiff: If I may ask the Postmaster General a further question, what qualifications must be possessed before a postmaster is given consideration as a civil servant?

Mr. Rinfret: He must possess the usual qualifications. That is, he must be well educated and have some experience; and, in offices of more than $3,000, he must pass the examinations of the civil service commission.

Mr. Graydon: A moment ago an hon. member mentioned the question of communist literature being circulated through the mails of Canada. I am not sure that the organization to which he referred admits being a communist organization, so perhaps I need not take it as a case in point. The Postmaster General indicated that no one except officials of the dead letter office has the right to open a letter. I think no member of parliament would want his mail opened, regardless of who was writing to him. I well remember the great protest that arose during the war over the alleged opening of certain letters coming to members of parliament. I fancy that every member would be jealous of his right in that regard. Nevertheless, the hon. member does raise a point which perhaps I might pursue along a slightly different line. If no one except the dead letter office officials has the right to open letters, how is it that the Leaside Lions club, Calgary Stampeders, and such organizations seem to have the use of the mails denied to them. Even the personnel connected with those organizations have been denied the use of the mails. How is it the Post Office Department knows what is in those letters? More than that, if they know what is in those letters it would seem to me rank discrimination against a good Canadian citizen to have his mail disturbed and his mailing privileges stopped, when there must be in Canada from time to time communist propaganda of various kinds circulating, and so far as I am aware the Post Office Department has not stopped the mails going to any of those people. This may be carrying out a general policy that may be quite proper, but it does seem to me that if you are going to make scapegoats of Canadians, there are some of these other people whom I would rather see made scapegoats. I think we ought to have something from the minister about that.

Mr. Rinfret: The information we receive comes in the form of complaints from various organizations. In these lottery schemes there are always some of those letters that do find their way to the dead letter office. Just how it happens, I do not know. They are opened there because they do not show any return address on the envelope. Of course when someone puts a lottery ticket in a letter he usually puts his address on the lottery ticket, and that is how we know where the letter comes from.

Mr. Graydon: Unless a mistake is made in the address, you never catch them?

Mr. Rinfret: I would not go that far, because that would be encouraging them.

Mr. Pouliot: I shall not be long, but since I have not time to read novels, I enjoy myself by reading reference books and making comparisons. According to the Canadian almanac, I see that there are thirteen Ph.D.'s in the Department of Agriculture. The chief of the tobacco division is a Ph.D. I am wondering why, in the list of post office officials, there are no Ph.D.'s. I wonder if they are Ph.D.'s and are too modest to mention it, or if they do not care about it. I should like to know if there are any Ph.D.'s in the Post Office Department, and I intend to ask a question about that of all the departments. I want to know more about mortarboards.

Mr. Catherwood: I should like to take about five minutes of the time of the committee to say a word on these estimates, and in doing so to commend the minister on the excellent report he presented to this committee. The fact that we have an income of over $101 million is a credit to his department, and indicates the progress Canada is making generally. I wish to say a word about the Post Office Department, because I believe it is rather unique amongst the various departments of government in the fact that it serves all the people of Canada. The Department of Agriculture serves the agricultural interests of the country; the Department of Transport serves the great ramifications of the transportation system of our country, and the same is true of other departments, but the postal department is one that is interested in every man, woman, and child in the Dominion of Canada.

As the Postmaster General has indicated, there are 46,000 people employed in this department. I believe every member of this house will agree that those 46,000 employees have done a marvellous job in the capacity in which they are working. I believe every member of the house will also agree that, particularly at the Christmas season, they do a excellent job in dispatching the mails day by day. I should like to add a word to what the member for Peel stated in regard to rural mail administration. The rural mail delivery service is one that we in rural Canada do

appreciate greatly. We accept it as part of the great network of services rendered to the people of rural Canada. It was in the year 1908 that the Postmaster General inaugurated the first rural postal delivery service in Canada, patterned on a plan in effect in the United States. This delivery service has grown rapidly, as the Postmaster General has said, until today it serves almost 350,000 boxholders across this dominion in those great areas that lie outside our towns and cities.

The reason, Mr. Chairman, for this brief outline is to bring to this committee a general picture of how the rural people of Canada depend upon this delivery service. I do feel that the rural mail couriers are perhaps the lowest paid class of people in Canada. I was glad to hear the Postmaster General mention the setting up of a plan for the improvement of the rural mail couriers' situation. I know the member for Temiscouata will not approve, but I do believe a committee should be set up to review this whole situation with a view to improving conditions for the rural mail couriers. The average mail route, particularly in the area from which I come, is twenty-five miles in length. The mail couriers average about four stops per mile, so that means about one hundred stops during the route. I believe that a rate of pay of about nine cents per mile would be a fair allocation of the cost of mail service. For the average twenty-five mile route, the courier would travel 7,500 miles a year. It would cost about $675 to operate a motorcar in the section where I live, and there would be approximately $575 left for his income after his operational costs were paid, basing it on a $50 per mile tender.

I do feel, Mr. Chairman, in view of the foregoing remarks, that the minister should take into consideration the facts I have mentioned. I realize that a great many people will say that tenders were called and were accepted. That is true, and in most cases I suppose the lowest tender was accepted. At the same time, many of those tenders were called for at a time when figures on cost were going down, and instead of that they have increased. The cost of operating motorcars has increased since those tenders were accepted. I believe some consideration should be given to that fact. All over rural Ontario we find that the mail couriers have to drive older model cars in order to show a profit on the operation. I do say that should not be. The custodian of the king's mail should be able to drive a motorcar that is in keeping with his duties. I know a particular mail courier who has had a route for thirty-three years. He was telling me he had to tender so low in order to get the position that he is no further ahead today than he was when he started. I believe that a committee, as suggested by the hon. member for Peel, could take all these matters into consideration. After so many years' satisfactory service with the department, I believe these men should come under the superannuation system. I hope the minister will take these matters into consideration.

Mr. Rinfret: I shall certainly take them into consideration, but I do not think any members of this service would like to be government employees. If we gave them salaries, they would be.

Mr. Fulton: I should like to take up with the Postmaster General three matters which are of concern to my constituency, but I think they cover problems which are common to other constituencies as well. The first of these is the question of the extension of the air mail service to two areas where scheduled flights have recently been inaugurated. The first of these is between Kamloops and Penticton. It serves the cities of Kamloops, Vernon, Kelowna and Penticton. The other is the service from Vancouver to Prince George, via Kamloops, Williams Lake and Quesnel. That service goes on to Fort St. John.

This matter has been discussed with the department ever since the services were inaugurated, and I regret to have to say that the decision so far has not been favourable, even though for a time the Acting Postmaster General—that is, the Solicitor General—was looking after the affairs of the department. Although the Postmaster General, whom we are all glad to see back here today, said that the Acting Postmaster General was generous during his absence, I regret to say that his generosity did not extend to approving air mail service on those two routes, as requested. Now that the Postmaster General is back and restored to health, perhaps he will be feeling generous, and I am encouraged to believe that we can hope for success in making this request.

I base the request for air mail service on these routes on two premises: first, the populations to be served, which speak for themselves; and second, the necessity of giving a better service to those areas, and particularly perhaps to the area of the Cariboo, than they have had in the past. I understand that the principle is that air mail service will not be approved where surface mail provides an alternative delivery as fast as it can be delivered by air mail. In this respect the argument that I am about to make applies particularly to the service from Vancouver to Kamloops, Williams Lake

and on up to the north, because those areas up through the Cariboo are not served adequately by daily surface mail.

Here I want to advance again an argument that I have advanced before with respect to the development of our pioneer districts. No one will object, on the face of it, to the inauguration of the all-up air mail service; but that service applies at the moment only to the main line T.C.A. routes between our main centres, and those centres were already served by a good surface mail system. There were no great delays in the delivery of mail between our large cities. While, as I say, no one could object to the general principle of improving and speeding up that system, I feel that the pioneer areas which suffer from an inadequate mail service are entitled to at least as much consideration and are certainly entitled to have their inadequate mail service made adequate when other areas have their adequate service made superlative. The mail services in the districts to which I refer are certainly not first-class.

Another argument in that regard is that those areas pay their full and fair share of taxes; and the inauguration of all-up air mail service on the main lines does not benefit them. They do not begrudge, and speaking as their representative I do not begrudge, the superlative service which all-up air mail service gives; but the point I want to urge strongly is that the tax money of the people in the pioneer areas, in its proportion, goes to support those superlative or improved services whereas they themselves get no corresponding benefit or improvement in service. I think that they are entitled now to have a recognition of their position and, where the facilities make it possible, as is now the case with the institution of these scheduled air services to which I have referred, they are entitled to have their tax contribution recognized by improving their services, and by granting in this case an air mail service on the Vancouver, Kamloops, Williams Lake, Prince George run.

Mr. Murray (Cariboo): May I ask a question, Mr. Chairman?

Mr. Fulton: Perhaps the hon. member might address his question to the Postmaster General when I have finished.

Mr. Murray (Cariboo): I should like to ask a question of the hon. member who is speaking. He is making a statement which is not just factual.

Mr. Fulton: What I would suggest is this, Mr. Chairman. If the hon. gentleman thinks that my plea for the area that I represent is not justified—

Mr. Murray (Cariboo): I was asking you to stop at the boundary.

Mr. Chairman: Order. The hon. member for Kamloops has the floor.

An hon. Member: Let him ask a question.

Mr. Fulton: Incidentally, if what I gather from the interruption of the hon. member for Cariboo is that he does not wish the extension of the air mail service beyond Williams Lake to his constituency, I should be glad indeed to confine the request in the remarks I have made to my own constituency.

With this request for that air mail service, I should like to couple a request for a daily mail service by surface to the way post offices up the Cariboo highway. I have taken this matter up previously with the department, and an investigation was made into the cost. The figures produced were said to be such that the cost of the increased service made it impossible to approve the request. I do not know the basis upon which the department made this investigation and obtained the figures, but I was advised that they were obtained from one carrier only. What I want to suggest to the minister is that he should obtain figures from other carriers who serve the area.

My suggestion is this. The mail might be carried to Williams Lake by the present service from Ashcroft, and the possibility should be investigated of having some of the trucking lines make a distribution from Williams Lake on their journeys up and down the Cariboo highway; or alternately, the possibility should be investigated of having them make a distribution from Ashcroft.

I have a great deal of correspondence on this matter; and a number of my correspondents advise me that over the past twenty years there has been no improvement in the mail service in these areas on the Cariboo highway. Twenty years is a long time to wait for an improvement in the mail service. As a matter of fact, in the old days when they had the horse-drawn stage coaches, those points had a better mail service than they have now, because then they had a daily mail service. Now most of those points have service only three times a week in the summertime, by the P.G.E., and twice a week in the wintertime. To those people who depend on these post offices up and down the Cariboo highway, many of whom are in business, running tourist camps and guest camps, the present system results in a serious loss of business; because by the time a person will write in from, say, Seattle or some other point down in the states, and the letter comes through Vancouver and up the P.G.E., it is not delivered to these points until perhaps four

days after it has been written; then by the time it goes out on the rural mail route and a reply is sent in and back down via the P.G.E. from the post office, it is up to ten days before the writer of the letter receives an answer. I have been told of cases where business has been lost as a consequence, because those writing in for reservations or to find out if they can be accommodated at certain times will not wait that long for a reply. Since there is a daily stage service and trucking service passing directly up and down the Cariboo highway it is time that these people received daily mail service to the way post offices on that route. I again advance the argument that these people contribute their full share of taxes to the general revenue of the country. If we can institute a superservice by way of an all-up air mail to areas which were already receiving a fast surface delivery, surely it is time that we provided an adequate service to those areas which have been struggling for so long with an inadequate mail delivery.

I appreciate the work that the Post Office Department does. I am sure that the Postmaster General would like to grant these requests, and if he feels that he has not yet been able to justify it, I urge him to bear in mind these considerations on which I have based the request. These people contribute their share of taxes. In proportion they pay just as much as the other areas, and it is not fair to penalize them any longer, and to deny them longer the adequate service to which they are entitled, and which they need.

Then I should like to ask the Postmaster General if he will consider another matter, and here I am speaking also on behalf of the hon. member for Vancouver-Quadra (Mr. Green). It is a question involving the shipment of parcels to the United Kingdom. It has been drawn to my attention that many people have found—and I have personal knowledge of this—that food parcels have been lost and no trace can be found of them; and no report can be made of what has happened. This has had a cumulative effect and has discouraged people from sending parcels. The suggestion has been made that some process be worked out whereby it would be possible to trace the parcel from the time of mailing to the time of delivery or loss. Could such a system be instituted with respect to parcels to the United Kingdom without great expense? I appreciate that if it were very expensive the department would be reluctant to do it. Would a system comparable to the registration system be feasible with respect to these parcels? Even if it were necessary to charge three cents or five cents for the registration, could it be done on that basis so as to provide a means of tracing the parcel? Will the Postmaster General give us an answer to that question?

Mr. Rinfret: The expense of registration would be about 25 cents per package. That would be half of the actual rate.

Mr. Fulton: I put this before the Postmaster General: the expense of registering a letter is only 10 cents. I wonder whether it would not be possible to—

Mr. Rinfret: Registration price and cost are not the same. The price is 10 cents; the cost is 20 cents.

Mr. Murray (Cariboo): We will never get a perfect mail service. That would be a service where the deliveries would be made every hour or so even if you were out on the Cariboo road or back in the Peace river country. I must take the hon. member for Kamloops to task to a certain extent. Of course he is doing good work when he is urging the department to extend service.

Mr. Hodgson: Do you want to go back to the dog team days?

Mr. Murray (Cariboo): No, nor the horse and buggy days or the stage coach days. The situation on the Cariboo road today—and I speak with direct knowledge of course—is this. At the town of Quesnel we receive at least one air mail service daily, and at the town of Prince George somewhat further on we receive two air mail services daily, plus the rail service, plus the mail that is hauled in by the stage. Below Quesnel we have the rural route recently installed. Coming then further along the Cariboo road we certainly have a very good service, but not throughout its entire length, but certainly in that area. Out of Prince George we have two rural routes, and we are going along very nicely along the Cariboo road. Back in the country for some distance in some of these mining camps, and so on, the deliveries are not as regular as they might be, but you must expect that in a rough country.

While I am commenting here, I join with the hon. member for Kamloops, in asking for a little more money for some of our post offices. We have a very good country up there and the revenues are good, especially at Dawson Creek and at some other points, namely, Fort St. John and Quesnel. All that we need is about $50,000 post offices at each of these points and we would be delightedly happy.

I want to say a word with regard to these couriers. It is unfortunate that these people are encouraged to bid against each other until the mail which is hauled by land up there is often hauled at much less than

the cost of transportation. The department might put a base price on for hauling the mail. Something should be done along that line, and in the meantime I want to thank the minister for the excellent service being given at Quesnel and all through other points in the Cariboo riding.

Mr. Fulton: Will the minister comment on my request for more service?

Mr. Rinfret: I have taken due note of the requests and I shall consider them.

Mr. Gibson: I should like to join the hon. member for Cariboo in expressing to the Postmaster General and to his efficient administrative staff my appreciation of the excellent job they have done throughout Canada, and particularly in my own riding, and I am quite sure in all ridings. As far as I am concerned I was particularly pleased to hear the hon. member for Cariboo express his thanks for the service which has been given to the city of Prince George, which is a very fine city. I do not think it is quite in the same class as the Comox-Courtenay area and the Campbell River area. I would like the minister further to consider the proposition I have offered him that we should also receive only one first-class air mail service a day. We have an air passenger service in there twice a day now. We would be quite content to accept just one service by plane a day. I would ask the Postmaster General to see if it is not possible for him to extend that service to that area in the very near future.

Mr. Fair: There are just one or two small matters that I should like to bring to the attention of the Postmaster General before this item carries. First, a word in connection with the rural directories. I should like to know whether it is possible to have greater co-operation from the postmasters at various country post offices because the directories are not at all up to date. In some instances we get from fifty to sixty or seventy-five letters back that are sent out according to the latest directories.

Another matter is the question of the lobby in the post offices being left open on Sunday. In my particular territory the mail trains come through during the night, and the mail is sorted and placed in letter boxes for those who have letter boxes. It was the custom until about a year ago to leave the post office lobby open on Sunday mornings for about an hour so that the people around could get their mail. However an inspector came along and said that the doors could not be left open on Sundays. A number of subscribers to boxes would like to have that service returned to them. I might say that the postmaster has no objection at all to leaving the lobby open for a while on Sunday mornings. In fact, he would be glad to do it because it would dispose of an accumulation of mail, and permit him to be ready for the next mail on Monday. What can be done about it?

Mr. Higgins: I have one request to make in connection with the establishment of rural mail delivery on Bell island. This is one of the important parts of Newfoundland. Apart from St. John's, it is perhaps the largest community, with a population of about 9,000. At present it has only three post offices, consisting of a main office and two branches. The mail is brought to the main office and distributed to the two branch offices.

I would point out that in the main office only three persons are employed, whereas at Corner Brook there is a staff of twenty. These people have to call at the post office for their mail. I believe this matter has been referred to the minister's assistant, and I would urge upon the minister the very great necessity for establishing an adequate delivery service either rural or suburban.

Mr. Rinfret: I shall consider that for sure.

Mr. Browne (St. John's West): At various times since August I have received requests to have post offices re-established in places where they were discontinued between 1931 and 1934, the years of depression. I have written to the inspector of post offices and have received the assurance that matters would be investigated. I have also written to the Postmaster General and received a cordial reply in which he has said that an investigation would take place.

Up to the present time however I have received no report on any of these requests. My letter of June 24 refers to post offices to be established at Daniel's Point, Regina, Colinet Island, Point la Haye, Mobile and Brigus South. I know this community well, and I know also that people have to go five or six miles to get their mail—and this at a time when the couriers are passing through these areas. I suggest this is a matter worthy of consideration.

Since April 1 of last year only one post office has been restored to Newfoundland. I believe we have 526 post offices, and one more has been added. On the other hand, there are about 1,400 in Nova Scotia. I am suggesting that we should have many more, because we used to have about 800. We are not asking for very many; there have been only four or five applications. I wonder whether the Postmaster General would see that these matters are investigated?

Then, the people at Witless Bay would like to have established a postal money order post office. I have received no word as to what is to happen in connection with that. Has anything been done, or will anything be done?

Mr. Rinfret: I shall consider it.

Mr. Browne (St. John's West): I should like to have an answer.

Mr. Rinfret: It is impossible for me to remember each of these cases. I shall look up the files and do what I can.

Mr. Browne (St. John's West): I should like to have a reply, because I have had no information since last August.

Mr. Rinfret: The reports have not yet come to my hand. As soon as I have them I shall consider them and advise the hon. member.

Mr. Browne (St. John's West): If there has been no report, what is the delay? This request was made last August.

Mr. Rinfret: That is exactly what I am going to inquire about.

Some hon. Members: Carried.

Mr. McLure: No, it is not carried. I have been taking my daily dozen, trying to get to my feet all afternoon. I shall commence my remarks by reiterating what was said by the hon. member for Peel in welcoming back the Postmaster General after his illness. I too am delighted to see him in his seat. At a time when we are rushing to pass the estimates it is unfortunate that those of his department should be left until this time, when we will not have an opportunity to go into them in the fullest detail. We will do our best in the next day or two, and I hope we will give them the once over they really deserve.

The hon. member for Peel concluded his remarks by making what amounted almost to a motion for the setting up of a committee to deal with the problem of rural mail delivery. This was supposed to be considered by a committee in 1945 or 1946. I support the hon. member in the suggestion he made today.

At this point I would ask to call it six o'clock.

Mr. Fournier (Hull): Mr. Chairman, may I suggest that we sit a few moments later, because at eight o'clock we would wish to take up the rest of the estimates of the Department of Resources and Development. My colleague wishes to leave this evening, and we will not be able to continue with the post office estimates at eight o'clock. We have been discussing them since three o'clock, and have covered almost the whole field. Perhaps if we were to sit a few minutes longer we might finish it.

Mr. Knowles: Don't forget public and private bills.

Mr. Fournier (Hull): I was thinking of public and private bills. However, I should think that after this long discussion we might complete this department—unless someone has a desire to speak at some length.

Mr. Johnston: I would ask the minister to reply to the hon. member for Battle River in the matter of the closing of post offices on Sundays. I have had the same complaint in my constituency, and I should like to be able to reply to those who have complained to me about it.

Mr. Rinfret: The question of Sunday services is of course a ticklish one. Postmasters, in common with all other employees, are entitled to have some rest. We do not discourage a postmaster who, of his own accord, wishes to give additional service. On the other hand we believe they are entitled to the day of rest. Then, so far as the directory matter is concerned, I shall see what I can do about it.

Mr. Fair: The postmasters are not complaining. It was the inspector who closed the lobbies; the postmasters were satisfied to leave them open.

Mr. Rinfret: I am told the postmasters have asked for overtime pay. We are not ready to give it; if they wish to give the service to the public, that is their business.

Mr. Fair: The mail is in locked boxes. If a postmaster would leave a lobby open, it would be sufficient. My understanding is that postmasters would be satisfied to do that, but that the inspector objects.

Some hon. Members: Carried.

Mr. McLure: No, it does not carry. Are you going to call it six o'clock?

Some hon. Members: No.

Some hon. Members: Six o'clock.

The Chairman: Unless there is unanimous consent I shall call it six o'clock.

Mr. Knowles: I understand that we are to take up the estimates of the Department of Resources and Development.

Mr. Fournier (Hull): Yes, the other minister is going away.

Mr. Knowles: We could sit two or three minutes for that.

Mr. Fournier (Hull): I am sorry, Mr. Chairman, I was not listening to what was said. Will the hon. member repeat his suggestion?

Mr. Knowles: I find there is not unanimous consent to the suggestion I made, so there is no use repeating it.

Item stands.

Progress reported.

QUEEN MARY'S CARPET

PURCHASE BY IMPERIAL ORDER DAUGHTERS OF THE EMPIRE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with the unanimous consent of the house I should like to make an announcement that I am sure will be pleasing to all members of the house. This afternoon I received a telegram from the president of the Imperial Order Daughters of the Empire in the following terms:

Following is text of release made today: "Imperial Order Daughters of the Empire announce that word has been received from Queen Mary carpet committee in England of the acceptance of the I.O.D.E. offer to purchase the royal carpet for Canada. The order is sponsoring a Canadian fund to raise as large an amount as possible with a minimum of one hundred thousand dollars to which all loyal Canadians are asked to contribute. No contribution will be too large or too small." British committee indicated delight of United Kingdom that carpet to be in Canada.

Helen Chipman
Mrs. John H. Chipman

Mrs. Chipman is the president of the I.O.D.E. I am sure we shall all be delighted to learn that this work of love and devotion to the restoration of the United Kingdom will permanently remain as a treasure of the Canadian people.

FLOOD CONDITIONS

FRASER VALLEY—LETTER FROM PREMIER OF BRITISH COLUMBIA EXPRESSING SATISFACTION WITH DIKES

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to table a letter I have received from the premier of British Columbia expressing his satisfaction at the manner in which the diking work erected in 1948 stood the test of the recent floods in that province.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

PRIVATE BILL

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 301, for the relief of Ernest Beliveau.—Mr. Winkler.

Pipe Lines Act

PIPE LINES ACT

PROVISION FOR LOCATION OF MAIN LINE ENTIRELY WITHIN CANADA

On the order:

Resuming debate on the motion of Mr. Sinnott for the second reading of Bill No. 132, an act to amend the Pipe Lines Act, and on the proposed amendment thereto of the Minister of Trade and Commerce.

Some hon. Members: Stand.

Mr. Green: What is the position, Mr. Speaker? Does the motion stand?

Mr. Speaker: The rule is that the bill should stand when the sponsor or someone authorized to act in his behalf is not in the chamber. However, this is probably the last evening on which these bills will be called. While I would not permit a vote to be taken, in view of the speeches that have been made I would not stop the hon. member for Vancouver-Quadra (Mr. Green) if he wished to speak. I do not know whether or not the hon. gentleman desires to proceed.

Some hon. Members: Stand.

Mr. Green: I understand Your Honour is ruling that I can speak but no one else may do so, and there can be no vote. Is that it?

Mr. Speaker: I could not permit a vote in view of the ruling I have made, but in view of all the circumstances in connection with this bill I would not stop the hon. member for Vancouver-Quadra if he wanted to speak on it.

Mr. Green: I would not want to ask any favours of that kind.

Mr. Speaker: I was not suggesting it as a favour but as the fair thing in the circumstances.

Order stands.

Mr. Speaker: The business for this hour having been concluded, the house will revert to the matter under consideration at six o'clock.

SUPPLY

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

DEPARTMENT OF RESOURCES AND DEVELOPMENT

Loans and Investments—

Central Mortgage and Housing Corporation—

562. To provide for advances to Central Mortgage and Housing Corporation for the acquisition of land, the installation of services and improvements in respect thereof, the purchase of building materials and the construction or conversion of housing projects for veterans under the authority of section 34 of the National Housing Act, 1944, and, with the approval of treasury board, for the Department of National Defence, including construction of school buildings, $75,000,000.

Mr. Fleming: Mr. Chairman—

Mr. Winters: Since it appears that at least one hon. member wishes to speak on this item, Mr. Chairman, perhaps I should make a brief statement. This vote covers moneys required (1) to complete the veterans' housing programs, with $18,500,000 required for that purpose; (2) to complete the 1949-50 program of houses for the use of married personnel in the three armed services, an amount of $26,500,000; (3) to construct the 1949-50 program of schools and services for housing projects built in army camps, air stations and naval establishments, in the amount of $10 million; and (4) to finance the 1950 program for houses for married personnel of the Department of National Defence as well as ground services for such houses, an amount of $20 million.

The 1949 veterans' rental program amounted in all to 4,798 units. As at March 31, 1950, there were 1,415 units still to be started, as well as 2,278 units which had been started before March 31, 1950, but which were still to be completed. This, together with some landscaping and miscellaneous work to complete the 1948 program, involves $18,500,000.

The sum of $26,500, is required to complete houses for married service personnel. The 1949 program amounted to 4,530 units in thirty-four projects. As at the end of the fiscal year 273 of these units were completed and 2,585 had been started but were not complete. Some 1,672 units were to be started after March 31, 1950.

Arrangements have been made under which approximately $10 million is required for twenty-two schools. In every province we received co-operation from the department of education, both in respect to the design and type of school as well as to its operation after completion.

Though the 1950 program for married personnel for the Department of National Defence is still under consideration, we have included in this estimate an amount of $20 million to provide for approximately 2,000 additional houses. Because basic arrangements have been determined with the Department of National Defence for the 1949 program, it is anticipated that an earlier start can be made this year than last. I hope that all contracts will be awarded for the 1950 program, with very few exceptions, before too long.

Hon. members will recall that though this construction is carried out by Central Mortgage and Housing Corporation each project, both in respect to the number of units and their cost, is approved by treasury board before Central Mortgage undertakes the contract. The government has not finally determined the size of the 1950 housing program for the Department of National Defence, but should it exceed 2,000 units additional funds will be requested at a later date.

During the first four months of 1950 residential construction has continued at approximately the same level as during 1949. During the first quarter of 1950 new residential starts in all parts of the country were 5·5 per cent above those in the corresponding period of 1949. Completions during the first quarter of 1950 were almost the same as in the first quarter of 1949. In cities and towns with populations of 5,000 and over, starts during the first four months of 1950 were 12·2 per cent in excess of starts in the same period in 1949. This reflects greater residential activity in the maritimes, Quebec and Ontario. Starts in the prairies and British Columbia were three per cent and ten per cent respectively below starts in the first four months of last year.

I wish to emphasize, however, that because of climatic and other conditions, starts during the first three or four months of any year may or may not be indicative of a trend for the year as a whole. It will be recalled that although first quarter starts in 1949 exceeded those for 1948, 1949 starts for the year as a whole were slightly below those of 1948.

Furthermore, the recent change in the lumber situation may have an important bearing upon the number of starts in 1949. Prices of lumber have increased sharply in all parts of the country, and there is now evidence that even at increased prices lumber is not readily available to house builders. In the program of married quarters for the Department of National Defence, four projects have been postponed because the prices bid by contractors range from $800 to $1,300 per unit above prices for similar houses in 1949. We do not intend to proceed with projects at this price level.

The same trend is showing in private house building. The cost of individual houses will increase, and already in certain areas there is a shortage of lumber which is stopping the framing of houses. This condition is likely to reduce the number of new starts for the year, notwithstanding an increase in the number of new starts during the first four months of 1950.

The increase in price is occasioned by the buoyant demand for lumber in the United States. This has had the effect of a sharp increase in prices in the United States, with the result that our exports to that country have increased to such a point that domestic supply is not generally sufficient.

As far as the operations of central mortgage are concerned, we have no intention of supporting the "demand" side of the market by building married quarters at greatly increased prices, nor do we intend to adjust loans under the National Housing Act to take care of marked increases in cost both to the builder and the home owner resulting from the increase in the price of lumber. We deem it better to face a decline in the number of starts rather than add to the inflationary trend. For these reasons I cannot give the house an estimate of starts and completions for the year 1950.

Hon. members will recall that the National Housing Act was amended at the last session of parliament by the introduction—through section 35—of an arrangement for the federal government and the provinces to enter into agreements which would lead to public assistance in the field of housing. When the various provincial legislatures met this spring, seven of the ten provinces passed legislation complementary to section 35 of the National Housing Act. Since then we have been working with the provinces to determine mutually satisfactory activity in this field. Activity in some twenty to thirty municipalities has now been discussed with the provincial governments. Over-all agreements with Ontario and British Columbia have been entered into whereby preliminary expenses may be incurred.

In Ontario there is a lack of serviced land within the larger municipalities. At this stage we are working with the Ontario government towards a substantial number of land assembly projects, whereby land will be serviced and made available to private builders who are prepared to build houses of a type and at a price satisfactory to the two governments.

The province of New Brunswick is actively considering proposals for housing in the city of Saint John. Today we received a proposal from the government for a housing project in that city.

Because of flood conditions it is not likely that a start will be made in the use of this legislation in Manitoba in 1950. Preliminary conversations were under way with the Manitoba government, but have been suspended during the period of emergency in that province.

In British Columbia negotiations are under way, and I hope that before long it will be possible to announce the projects which will be undertaken in that province.

Preliminary conversations have taken place with Saskatchewan, although we have not yet reached a point where specific projects are under consideration.

An agreement has been signed with the government of Newfoundland for a subsidized low rental housing project in the city of St. John's involving 140 units. The contract has been awarded and construction has started. Negotiations are under way with the government of Newfoundland for the installation of services such as water, sewer, roads and sidewalks for a land assembly project of approximately 100 acres. The purpose is to make serviced lots available to individuals who wish to build homes.

Changes made in the National Housing Act at the last session have doubtless been an important factor in the increase in the number of joint loans. Some 8,800 units have been approved under part I of the act during the first four months of 1950, as compared with 4,650 units in the same period in 1949—an increase of almost 90 per cent.

Mr. Fleming: Mr. Chairman, I think it is rather remarkable that this is the first occasion in this 1950 session when there has been a debate on the subject of housing. It is no doubt regrettable, but it seems that this is the first occasion, in the absence of any legislation dealing with housing, for any extended discussion on the situation. I do not propose, Mr. Chairman, even under those circumstances to speak at length. We are so close to the end of the session, it seems to me that the occasion calls only for touching on the highlights of the situation, rather than for an extended review of the problem. I do hope, however, that the fact that the debate on this occasion may be brief, and the fact that there was little said about housing at this session, will not be construed by anyone as indicating, on the part of the house, a feeling that the housing problem has greatly improved.

One wishes that at this late date, June, 1950, one could say that the housing problem has shown substantial improvement. But one cannot say that. The problem is still very serious, and has grave aspects to it. The minister has touched on certain figures in regard to completions and starts. The figures that were released on June 16 by the dominion bureau of statistics indicate that in the first quarter of 1950 completions totalled 17,873 as compared with 17,826 in the first quarter of 1949. The results of completions thus are almost the same. Starts in the first quarter of 1950 numbered 9,015, as compared with 8,396 in 1949. At the end of March there were 50,161 units under construction as compared with 46,886 a year earlier.

Supply—Resources and Development

The same bulletin issued by the dominion bureau of statistics, Mr. Chairman, has this interesting comment to add:

From the types of dwelling units constructed during the first quarter of 1950, it is estimated that 28 per cent were for rental purposes, showing no change from the same period of 1949.

So that relatively, of the housing that is now becoming available, the proportion available for rental purposes, of which the need is very acute, has not increased.

Members who sat in the last parliament have been accustomed to hearing the present Minister of Trade and Commerce, when he had Central Mortgage and Housing Corporation in his department, touch upon the question of the relationship between the housing problem and the family formation rate. How he used to let that expression, "the family formation rate", with its alliteration, roll off the end of his tongue! On June 23 the dominion bureau of statistics issued some figures as a result of a study in that field. The bulletin reads as follows:

Between June, 1941, and June, 1949, the number of families in Canada increased by slightly more than 26 per cent and the number of households by slightly more than 24 per cent, according to estimates by the dominion bureau of statistics. Since 1947, however, the rise in number of households has exceeded the increase in number of families.

The estimated number of households in June, 1949, was 3,360,000, an increase of 125,000 or 3·9 per cent over the estimated 3,235,000 in June, 1948, and 232,000 or 7·4 per cent over the estimated 3,128,000 in June, 1947. In comparison, the estimated number of families was 3,187,000 in June last year, showing a rise of 99,000 or 3·2 per cent over the estimated 3,088,000 a year earlier and 150,000 or just under five per cent over the total of 3,037,000 in June, 1947.

Now, sir, it may be that those figures, in the light of the statements made by the Minister of Trade and Commerce in earlier sessions, are capable of having more than one inference drawn from them. I think, however, that this is at least one inference that may be drawn from these figures: if we are not making the progress with the housing problem that we should like to see made, it can no longer be attributable to any acceleration of the family formation rate over the rate at which housing is being constructed.

Building costs today are a serious problem in relation to the construction of housing accommodation. The Minister of Trade and Commerce said on June 23 that "building costs have risen substantially since last September." That is an unfortunate fact, particularly with respect to certain classes of building materials. I place that statement alongside a statement appearing in the January quarterly issue of "Housing in Canada", the publication of the Central Mortgage and Housing Corporation, in which we find on page 23 this statement:

The trend in house-building costs showed a distinct tendency to level off in 1949.

That seemed to be the picture that confronted the house when the housing question was last discussed in this chamber at the end of November, seven months ago; and I think many members of the house indulged in some hopefulness on the subject, feeling that now, with a measure of stability in housing costs appearing, more people would find it within their means to build. But the fact that housing construction costs seem to be rising again does give cause for concern when we measure the still tremendous shortage of housing in Canada. The need of rental housing is still acute. Many of the purchases of new houses that are being made today are being made by people who are stretching every resource to buy or to build because rental accommodation is not available to them, or is not available to them at a rental that they can afford to pay. One views that fact with some degree of deep concern, because if we should encounter anything in the way of a recession in this country—and we hope that will not occur—and if land and building values should fall, it may leave many of these people, particularly the young people among them, with grave problems on their hands in financing these purchases on which they have embarked.

Marginal purchasers have been coming into the house purchasing market to a greater extent than previously. I do not mean to say that there are more purchasers in the market but I do say that, of those who are purchasing today, a much higher percentage falls within the class of marginal purchasers than ever before. We hope that the wage and salary levels in this country will be maintained so that those people will not be faced with a serious problem in meeting their obligations under their purchases.

The supply of building materials still presents some serious difficulties. Steel has been coming off control this year and we are told in the booklet "Supply of Building Materials in Canada: "Outlook, 1950", issued by the Department of Trade and Commerce, that most steel supplies, as they enter into house construction, are going to be available in greater quantities than previously. However, our familiar subject of nails is one that is still cause for some concern. On page 11 of this issue we read:

Imports of finished nails have been heavy, increasing from 6,300 tons in 1948 to 13,300 tons in 1949. Canadian mills have also proceeded to manufacture nails at a higher rate.

Then this disquieting sentence appears at the conclusion of the paragraph:

However, wire nails and certain gauges of steel sheet and small sizes of pipe were still difficult to obtain in necessary quantities.

There are also some other kinds of building materials that are admittedly not in too plentiful supply. But the most serious problem confronting those engaged in house construction today, from the point of view of the supply of building materials, relates to lumber. As often happens, the scarcity of a commodity may not be general in all parts of the country; but certainly in the part of the country from which I come the scarcity of lumber is presenting serious problems. At page 6 of this booklet we read the following paragraph:

The domestic supply of lumber is not expected to change materially in 1950—

And I interject here, Mr. Chairman, that this pamphlet was issued in February last.

—and special types and grades may still be difficult to procure despite the fact that production may at least equal 1949 levels. Sales in the United States are expected to continue at a relatively high level throughout the year and any possible decrease in United Kingdom contracts may be taken up by that market. Besides this, manufacturers' inventories are at a low level and United States prices are appreciably above those in Canada. Therefore, it appears that prime quality lumber suitable for sale abroad may not be readily available in Canada throughout 1950. Export controls on lumber and wood building materials with the exception of pulp and fibre wallboard were discontinued at the end of last year.

The problem of lumber supply is assuming quite serious proportions in view of the way in which the market in the United States has been draining off some of the most suitable lumber in Canada for building purposes.

Mr. Chairman, let me now turn briefly to the subject of legislation. The amendments to the National Housing Act which were enacted by parliament at the end of November, 1949, came too late in that year to make much impression as yet. It had been hoped that, with the opening of the building season in earnest this spring, agreements might have been entered into which would provide for extensive use of the provisions of the new section 35 of the act. There have been difficulties in the way—the minister has referred to some of them—such as the necessity of negotiation with the provinces and the difficulties confronting many of the municipalities with whom, after all, these projects must be initiated. As one may fairly repeat on looking back, I think it is regrettable that those amendments were not introduced at a much earlier date. As to the municipalities, this committee must recognize the fact that the municipalities—particularly those that are faced with the most acute housing problems—have a variety of complex problems on their hands. The minister has referred to the shortage of serviced land. That situation is particularly serious in some of the larger urban municipalities and their suburban areas. For instance, in the city of Toronto—that is, metropolitan Toronto, greater Toronto—this is an extremely serious problem. It also has a relation to the other financial problems that these municipalities are facing, because many of the municipalities, particularly the suburban municipalities surrounding the large cities, are themselves faced with so many problems that the provision of serviced land itself offers to them in many cases problems with which they are not financially able to cope.

One welcomes the evidence that a number of the provinces have entered into agreement, and are prepared in this way to pave the way for the use of the provisions of section 35 of the act for the benefit of projects in certain of their municipalities.

I cannot forbear, sir, from expressing the hope, as I did when these amendments were under discussion in the house last November, that steps will be taken to broaden the provisions of section 12 of the act, so that it may not be more difficult for municipalities to proceed with redevelopment projects in crowded areas and slum areas than to proceed with development projects that do not involve the clearing of areas that have been built up in the municipality. You will remember, sir, that under section 35 the dominion contributes 75 per cent of the cost and bears 75 per cent of loss; whereas the province is called upon to bear only 25 per cent. But in the case of slum clearance projects or redevelopment projects, which are seriously needed in many of the urban areas, the provisions of section 12 remain, and the municipality must find 50 per cent of the cost of acquiring and clearing the land. I submit to the minister that the government must recognize the social and economic aspects of this problem, and that there is no justification for this discrimination between new development and redevelopment projects.

Sir, there is one final matter upon which I think the committee will wish to ask the minister for more information. As I followed his remarks none was given by the minister on this subject in his introductory statement. I am asking about the extent to which the new amendments to section 4 of the act in relation to second mortgages have been put to use.

The minister did not give a very encouraging picture in regard to the mortgage lending operations under the National Housing Act. In fact he has said that, faced with rising building costs again this year, the Central Mortgage and Housing Corporation is not prepared to raise its lending values. One can sympathize with the corporation in this problem; one can frankly say that one does not wish to see the corporation participating in a process which may be inflationary in its nature; nevertheless, sir, unless the department presided over by the minister is prepared to say that this present rise in building costs is only very temporary, then I am afraid the Central Mortgage and Housing Corporation is going to have to face the facts. They will have to make up their minds whether this rise in building costs is to be short-lived, or whether it threatens to be of long duration; because, if it is of long duration, then I submit, sir, that the provisions of this act will be at least in part nullified by freezing the lending values of houses to be constructed under the terms of this act.

We had this problem in previous sessions and some of us had to complain strenuously that many of the beneficial provisions of the National Housing Act were denied that beneficial operation which parliament intended when it enacted those provisions, by such an administration of those provisions as has largely nullified their operation by insisting on writing down lending value. I have admitted that the problem is not free from difficulty. I see the difficulties facing the administration in this respect, but, sir, unless they are prepared to say that this present rise in building costs is to be very short-lived, then I am afraid they will simply have to accept the situation and raise lending values in keeping with the rise in building costs.

In that regard one may well ask, Mr. Chairman, as to what use has been made in the meantime of the amendments to section 4 of the act. The committee will recall that new subsection 3 was added to that section of the act last November, in these words:

> In addition to the joint loan referred to in this section a loan may be made by the corporation to the home owner or home purchaser in an amount not exceeding one-sixth of the joint loan if the cost of the house to the home owner or the purchase price thereof to the home purchaser is, in the opinion of the corporation, fair and reasonable.

You remember, sir, this was pictured to us as the government, through Central Mortgage and Housing Corporation going into the second mortgage field to supply a need that was represented in the widening split between the cost of house construction or house purchase on the one hand and the amount available by way of first mortgage under the National Housing Act up to the lending value on the other hand. When this measure was under consideration some of us pointed out that while it purported to fill the gap and while the province of Ontario, for instance, which had entered this field nearly two years before, was in the face of this legislation now withdrawing from that field as there would be no further need for them to be in it, the efficacy of this section would depend very largely upon the interpretation and administration of it. Therefore I ask the minister whether he will give the committee some report on the operations of Central Mortgage and Housing Corporation under that section, and in doing so I express the hope that that new provision to which great hope was attached in all quarters of the house—certainly much was made of it by the government in introducing the amendment—has not been nullified by rigidity in the administration of the act and of the section by those charged with administration in the department and in Central Mortgage and Housing Corporation; because if lending value is to be frozen, and rigid interpretation is to be given to the provisions of this section and of the sections in relation to lending value applied to the old first mortgage then, Mr. Chairman, the house might as well have spared itself some of the efforts put into amending this act in 1949.

Mr. Pouliot: Mr. Chairman, whether one agrees with the hon. member for Eglinton or not, it is evident that tonight he has offered some constructive remarks. He said there was no debate on housing at this session, and that no new housing legislation has been passed. I wonder seriously if he needs new legislation to get elevated inspiration for a fine speech?

Mr. Knowles: Mr. Chairman, I agree with many of the sentiments expressed by the hon. member for Eglinton, and I shall not take the time of the committee to repeat those things with which I agree. There are however some aspects of the problem of housing which I suggest might well be underlined both from my own point of view and from that of the people in constituencies such as the one I have the honour to represent.

We have heard tonight, as we always hear when this subject comes up, a number of statistics. We have heard references to the legislation on the statute books. But the fact remains that despite statistics, despite legislation, despite the large number of very fine homes in Canada—and I, for one, am very happy to see more and more fine homes across this land—despite all those things, the fact remains that for thousands of our people

fine homes, even decent homes in which to live, are still dreams of the distant future.

Constituencies such as the one I represent have in them thousands of people who live in overcrowded conditions in the kind of housing that certainly does no credit to twentieth century civilization. I plead again for more of a social conscience in connection with this question, for greater realization on the part of the government that it is our collective responsibility as a people to do what we can to solve this social problem, and to see to it that all our people have a chance to live in decent homes.

To bring that down to some of the specific things that should be done, I should like to say a word about the matter of low-rental housing. I realize, as does the hon. member for Eglinton, that section 35 was written into the National Housing Act last fall to make provision for low-rental projects on a 75/25 basis. That basis involves the province putting up 25 per cent of the cost of such a project, the dominion putting up 75 per cent, and the two jurisdictions taking any loss that might follow in those proportions.

However, despite the fact that that legislation is there, provinces such as the one I come from have not seen fit to take advantage of it; and it has been represented to me that although some of the provinces feel that they might be able to stand 25 per cent of the loss involved in a low-rental housing project, they could not stand the financing of 25 per cent of the capital cost. I still hope that some projects under that plan will get going. Certainly there is pressure being exerted at all levels of government and by all groups of people in my province, and particularly in my city, to have the government of Manitoba enter this field. However, I think it becomes obvious already, even though the minister may say that we should give section 35 of the act more than six or seven months' trial, that it is not going to be the beginning of a great program of low-rental housing for the people of this country who need it.

I insist that when we talk about low-rental housing, particularly for the working people in industrial areas, it should be not just the kind of buildings that provide roofs over the heads of families, but rather it should be a modern layout that makes available to our workers and their families the best that modern architects, engineers and community planners can design for modern healthful and decent living.

I am one of those who last November welcomed the step taken in this legislation, but I submit that in the face of the problem, and in the face of the challenge that presents itself to us as a civilized nation to do something in the field of housing, we have not even started.

In addition to this problem of more effective legislation in the matter of low-rental housing, it must also be pointed out, as has been done by the hon. member for Eglinton, that there is room for real improvement by way of redevelopment or slum clearance under section 12 of the act. There again the minister can say that the legislation is on the statute books—indeed, it has been on the statute books considerably longer than has section 35; indeed it has been there for the last six years. However, the amount of slum clearance and redevelopment of housing areas that has taken place under that legislation certainly is nothing to write home about.

Then, may I refer to the rising cost of building that has taken place particularly since export controls were taken off and Canadian lumber allowed to go freely to the higher priced market in the United States. The result has been that prices for lumber are rising in this country, too. I heard a news report over the radio, or saw it in the press not long ago, to the effect that it was hoped that these increased lumber prices would not result in a rise of more than two or three per cent in building costs. But when one thinks of two or three per cent in terms of $10,000 or $12,000, or whatever it costs to build a house today, he realizes it is quite a sum.

Somehow or other these percentage increases seem to have a way of pyramiding and making it more difficult for people to get decent homes. So whether it is in the field of low-rental housing for people who cannot afford to have their own homes, or in the field of home ownership, which is certainly desirable, the barriers which crop up seem to wipe out, almost before they are enjoyed, any of the advantages found in the legislation the government brings down from time to time.

I should like to ask the minister a question regarding the quality of lumber and building materials and also the inspection service that is available. It has been represented to me that the urgency of the situation and the need people have to get lumber are such that there are cases of second-grade lumber being sold as first-grade, or at first-grade prices, thus adding to the cost of building and reducing the quality.

Surely our people deserve protection in this field. I would ask the minister whether Central Mortgage and Housing Corporation are interesting themselves in this phase of the matter. I do not need to take more time

to emphasize the importance of the problem. It is unfortunate that the layout of the session is such that we have not reached this important problem until what may be the next to the last day. I do urge however that hon. members in all quarters of the house, and the government in particular, look upon this question of housing not just as a case of putting a roof over the head of every Canadian, but rather as a real challenge to use all the ingenuity we possess and all the advances that have been made in architecture, engineering and community planning really to house our Canadian people at the standard they deserve.

Mr. Blackmore: Mr. Chairman, with what has been said by the two previous speakers I agree, and I believe every other member of the house will also agree. Nevertheless that does not come anywhere near finding a solution to the problem, something which we all desire. The simple facts confronting us at the present time are that the cost of building a house, such as the great majority of the Canadian people deserve to have, is so high that they simply cannot afford it. The taxes on such a property will be so high that the income of the average Canadian will not be sufficient to enable him to pay such an amount. The cost will be so high that the Canadian of average income will be unable to pay for his home, so that whichever way he looks at it he stands to have a number of years of headaches and worry, and then lose his home.

An hon. Member: Carried.

Mr. Blackmore: There are three or four Liberals who I hope will speak later on and have something more than "carried" to say in their speeches. What are we going to do about the problem? Has the minister given any thought to the possibility of purchasing prefabricated houses from Great Britain? It seems to me that not so long ago I read that Australia had made an agreement with Great Britain for a certain number of prefabricated houses to be delivered at a price far lower than it was possible for Australia to build comparable houses. It seems to me I heard that New Zealand had made a similar bargain with Great Britain. Has the minister given any thought to making an arrangement with Great Britain for prefabricated houses?

I should also like the minister to give the house some account of what he has been able to discover in his studies as to the possibility of using aluminum for prefabrication in Canada. Certainly we do not have to go without houses in this country because the lumbermen choose to run the price of lumber up so high that they render building economically impracticable. Can the minister tell us what he has found with respect to aluminum?

[Mr. Knowles.]

Mr. Winters: I do not know whether hon. members will wish me to assume that everybody has spoken and that I should deal with the questions they have raised now. The hon. member for Eglinton requested some information as to the effectiveness of the one-sixth additional loan provided under the act last year. As he said, it replaces the second mortgage that Ontario was making available. I think it can be said that the position the federal government has taken, which has enabled Ontario to withdraw from their second mortgage arrangement, has been entirely satisfactory to the government of Ontario, and I put that forth as evidence of the fact that it has worked.

As I pointed out when introducing these estimates, some 8,800 units have been approved under part I of the act during the first four months of 1950 compared with 4,650 units in the same period of 1949, an increase of almost 90 per cent. I think it fair to say that can be attributed largely to the additional amount of loan made available by the revision of the act last year.

Mr. Fleming: May I ask the minister if the additional one-sixth was made available in the case of each of the 8,800?

Mr. Winters: The additional one-sixth is made available for about 75 per cent of all houses that are qualifying for loans under the N.H.A. joint loan arrangements.

Mr. Fleming: That is about 6,600 of the 8,800.

Mr. Winters: That is right.

Mr. Fleming: And what was the figure for the previous year?

Mr. Winters: There were 4,650 units in the same period of the previous year. The hon. member for Winnipeg North Centre deplored the fact there was not sufficient development of low-cost subsidized housing. I say again, as I said last year, that the revision of the act, as enacted by parliament last year, is broad enough to enter that field of housing, as in fact we have done in Newfoundland, and are prepared to do in any other province that wishes to participate. The hon. member spoke about slum clearance. We realize that there are shortcomings in the application of the slum clearance section. It has not been as broadly applied as one might expect that it would be. If the hon. member will refer to page 7 of the annual report of Central Mortgage and Housing Corporation for 1949 he will see set out there, in what I consider to be a logical way, the reasons why the slum clearance section has not found broader application to date.

Mr. Fleming: Will the minister say whether the government will reconsider the position it took last November with regard to amending section 12 to bring it into line with the percentages in section 35 in order to assist in redevelopment and slum clearance projects?

Mr. Winters: The section is under constant consideration. While I cannot of course give the committee any assurance that there will be amendments, I can say that it will be considered, as my hon. friend requests. The hon. member for Lethbridge asked about the use of aluminum. Aluminum has been used by Central Mortgage and Housing Corporation for siding, insulation, window frames and other incidental parts of houses. It has been used with satisfaction in most regions of Canada but there are some areas where, when aluminum is exposed to the air, it does not stand up too well. The seacoast is one of those areas, and aluminum has been used under those circumstances with only mediocre success.

Mr. Blackmore: Can the minister tell us whether he has been in contact with Great Britain to see whether or not the British can supply houses at a price lower than we are able to construct them in Canada?

Mr. Winters: We have not been in direct contact with England on that question. There is no evidence at hand to lead us to believe that they can supply houses cheaper than we can. In fact the fabrication of the house is not always the main problem in housing. As my hon. friend knows, the big problem in most instances is the provision of serviced land.

Mr. Higgins: Reverting to the remark made by the minister a short time ago concerning the work done by his department in Newfoundland, I should like to refer to one of those associated with him of whose ability we have a high opinion and for whose interest in Newfoundland we are very grateful. I refer to the president of Central Mortgage and Housing Corporation. He was in the newest province quite recently. I believe he has concluded certain contracts and made certain arrangements for housing. Will the minister tell us exactly what has happened, and what Central Mortgage and Housing Corporation proposes to do in the future so far as the provision of houses is concerned?

Mr. Winters: As I said in general terms, we have entered into an agreement with the province of Newfoundland under section 35 of the act to provide 140 housing units. The basis of participation is 75 per cent by the federal government and 25 per cent by the government of Newfoundland. The undertaking is that the capital cost will be shared on that basis, and any operating losses that may accrue will also be shared on the same basis. The accommodation is being provided for people in the low income groups, and might be referred to as low rental housing. We have also entered into negotiations with Newfoundland for the servicing of one hundred acres—that is, the provision of water, sewers and all the other elements that go into servicing land—in the city of St. John's. Those are the only two projects that have been worked so far, but we are open to consider any proposals they may lay before us.

Mr. Higgins: Exactly what does servicing mean? Does it mean only providing water and sewers, or also putting up the houses?

Mr. Winters: The project I refer to, in connection with the servicing of one hundred acres, does not include the building of the houses. It has to do with the provision of services normally supplied by a municipality. It is understood that there are builders in Newfoundland who would be prepared to go ahead on a private enterprise basis and construct houses on the land made available by these services.

Mr. Higgins: Is that part of the area known as the St. John's housing corporation area?

Mr. Winters: That is right.

Mr. Blackmore: I find one remark by the minister very difficult to comprehend. He says the main difficulty is in getting serviced land. That does not make sense to me. I can understand how he might have difficulty getting serviced land in a city like Ottawa, but there are thousands of small towns of 1,500, 2,000 or 2,500 throughout this country that could supply so much serviced land that I do not believe the minister could find enough material in Canada to build the houses; and these towns would be delighted to have more people come there. What is the minister doing about that? Taking my own district, we have towns like Raymond, Picture Butte and Stirling, all in my constituency. There would be no trouble getting serviced land there. In view of what I have just brought to his attention, then, how does the statement by the minister make any sense?

Mr. Winters: I am differentiating, of course, between land and serviced land. As everyone knows, plenty of land is available in Canada; but land with the services provided, water, sewers, sidewalks and the like, is not available in the amount required for building houses.

Mr. Blackmore: Still the minister's remarks seem palpably unrealistic to me. The people who lived in this country one hundred and fifty years ago did not have any of the things he is talking about, yet they carried on, raised their families and made the Canada we have today. Surely it is not necessary to have all these services before we can build houses to shelter the young Canadians who are growing up in our country today. What is the matter with houses in Raymond, Picture Butte and all these other little towns all over Canada; and why cannot houses be built there? Can the minister explain that? For the first forty years of my life I lived without a sidewalk, and I imagine my sons and daughters can do the same. Does the minister not build houses in any places where there are not sidewalks, sewers, water and all the rest of it?

Mr. Winters: Yes, Mr. Chairman. I realize that many houses are going up on land which is not serviced, and that many fine people will grow up in those houses, just as my hon. friend grew up in one. But in this matter of housing we are dealing with municipalities, and, by and large, have to meet their wishes. If they say they do not want houses to go up on land that is not fully serviced, under normal circumstances it is not within our power to proceed. We have to conform to the wishes of the municipalities.

Mr. Higgins: What is the arrangement with respect to the servicing of this one hundred acres, as far as cost is concerned?

Mr. Winters: I thought I had outlined that, but perhaps I did not make it clear. The cost of servicing the land—that is, acquiring, assembling and servicing—will be on the 75 per cent 25 per cent participation basis. If the land is then built upon by private contractors the cost of servicing the land will become a charge against the houses then built.

Mr. Browne (St. John's West): Since the development referred to by the minister is in the constituency I have the honour to represent, I should like to thank him for the interest he has shown in it. It is going to be a great blessing to the people who will be moved from the slum areas to this new development. It is a good beginning, and I am sure the houses will be more than welcome. Through the kindness of the minister I saw the plan, and I noticed that a playground is to be provided, which will be a great benefit. I am only sorry it was not possible to have more land attached to the houses, and I hope that when another development of this kind is being considered it will be in an area where more land will be available. This is a good beginning, and I know the people of St. John's are very grateful.

Mr. Graydon: Is this the item under which normally the minister would expect to answer inquiries concerning the sale of wartime houses generally?

Mr. Winters: Yes, under this item we would consider those questions.

Mr. Graydon: I want to ask just this general question, which may only call for a general answer. What is the policy of the department relative to the sale of wartime houses to the tenants now occupying them, particularly in various parts of Ontario?

Mr. Winters: Generally speaking the policy is that houses built during 1947 and prior to that are being made available to veterans on a sale basis.

Mr. Graydon: To veterans?

Mr. Winters: Generally they are the tenants.

Mr. Blackmore: How large must a community be before it is eligible to have houses built in it? Will the minister build houses in a hamlet or village, or must a community have a population of 1,500, for example? I am still troubled about all those services.

Mr. Winters: The only requirements we have specified is mutual acceptability as between the federal and provincial governments. If a provincial government were to say it was satisfied to have houses built in a municipality, no matter how small, and asked us to proceed, the chances are that if the project were mutually satisfactory we would do so.

Mr. Knowles: With respect to houses the Central Mortgage and Housing Corporation has for rent to veterans, has any consideration been given to enlarging the government's policy in order to make those houses available to veterans of world war I, at least in certain cases? I ask this question on the basis of the experience of a world war I veteran in Vancouver, who says that in the area where he wishes to rent a house—he is being put out of his place and therefore needs something else right away—Central Mortgage and Housing Corporation have houses vacant but refuse to rent or sell them to veterans of world war I. This case was placed in the hands of the hon. member for Vancouver East, who is now in Geneva. He took it up with Mr. Mansur, president of Central Mortgage and Housing Corporation, and of course the only answer Mr. Mansur was able to give was that the government had laid it down as a policy that

these houses were to be restricted to veterans of world war II. I understand the reasons for that, but I am wondering if consideration has been given to modifying the policy so as to include veterans of world war I, particularly if, as this correspondent says, there are vacant houses in the district in question.

Mr. Winters: Mr. Chairman, the policy of the government, as approved by this parliament, is to make the houses available only to veterans of world war II.

Mr. Knowles: Is that in any statute?

Mr. Winters: No, it is through the vote that parliament makes of funds available for building the houses for veterans of world war II.

Mr. Knowles: I will have to be shown that there has been any decision made by parliament to limit wartime housing to veterans of world war II. Even Mr. Mansur does not blame it on parliament. He says it is a policy laid down by the government. I believe that if the minister will consult with the Minister of Trade and Commerce he will find that this was laid down by government regulation. I hope that matter might be reconsidered.

Mr. Winters: No, Mr. Chairman, I think it has been clearly understood by this house, ever since the housing was being considered following world war II, that these houses were being built for the veterans of world war II.

Mr. Blackmore: I have listened with a great deal of disappointment to the answers the minister has given. No doubt those are the best answers he can give, Mr. Chairman, but the people of Canada want houses. They do not want to wait 20 years to get them. I say that up to the present time the minister, in explaining the difficulties with which he is confronted, indicates that he will never catch up with the need for houses if he has a thousand years to do it. He had better sit down and plan a real housing program under which the Canadian people will have a real chance to have houses.

Item agreed to.

The Deputy Chairman: Perhaps I should point out at this time that there is a further supplementary item, number 820, to extend the application of the terms of vote 562 relating to the housing corporation.

Central Mortgage and Housing Corporation—

820. To hereby extend the application of the terms of vote 562 in the main estimates, 1950-51, to include the acquisition of land, the installation of services and improvements in respect thereof, the purchase of building materials and the construction or conversion of housing projects for residents of Deep River, Ontario, and to authorize commitments against future years for the purposes of the said vote to amount of $14,208,000, $1.

Mr. Fraser: What does the $1 stand for? The note says it is to extend the application of the terms of vote 562.

Mr. Fleming: The experience the house had last year with these votes of $1 has put the house on its guard against any repetition. Has the minister some explanation as to why this item is required? I refer to the fact that there was a vote of $1 under which the government proceeded to expend great sums of money in purchases through blocked currencies abroad available to the government. I think where we have an item of $1 the house ought to have a full explanation of it.

Mr. Winters: The reason for this particular item is that it seeks future commitment authority to spend money on behalf of Central Mortgage and Housing Corporation. It is thought that perhaps, under the $75 million we have just passed, there might not be an opportunity for spending the full amount available against the projects which I cited in presenting that vote to the house. This seeks authority to spend some of that money against other projects than the ones to which I have referred.

Mr. Black (Cumberland): May I ask the minister why special consideration is given in this way to Deep River, Ontario. The explanation reads:

. . . housing projects for residents of Deep River, Ontario, and to authorize commitments against future years . . .

I ask the minister why Deep River is specially selected.

Mr. Winters: Because, Mr. Chairman, in the statement I just made I said we are seeking authority from the house now to spend certain moneys on projects to which I had referred under the main $75 million item. At Deep River certain houses will be built for the employees of the national research council, and this item seeks authority of the house to spend money on that project.

Mr. Fleming: Does it come down to this, that the terms of vote No. 562 are not as broad as the minister first thought would be required, and that in effect vote No. 820 is not designed to increase the amount so much as to widen the terms of vote No. 562?

Mr. Winters: That is, in general, quite correct. Deep River was a project that developed after item No. 562 was made up.

Mr. Fleming: There are no details of these items. Has the minister had estimates prepared indicating how much of the total of

$75 million it is proposed should be spent on the various projects mentioned in the two items?

Mr. Winters: It is estimated that the Deep River project will cost $1,108,000, and that that can be obtained from the total $75 million vote.

Mr. Fleming: What about a break-down of the $75 million in relation to those projects?

Mr. Winters: I gave that earlier, Mr. Chairman.

Mr. Fleming: The minister did not give the amount; he gave the various uses to which the money would be put, but did not indicate the amount for each.

Mr. Winters: I did give the amounts, Mr. Chairman.

Mr. Fleming: I am sorry I missed them. I am not quite clear yet, Mr. Chairman, as to the significance of the concluding words of item 820, which are as follows:

. . . and to authorize commitments against future years for the purposes of the said vote to an amount of $14,208,000.

From the last answer the minister gave, I understood him to indicate that the amount being made available for this coming year, and chargeable against the $75 million voted in item 562, is something just over $1 million. What is the explanation for the reference to the $14,208,000?

Mr. Winters: The $14 million will be made up of D.N.D. schools, $1,600,000; non-urban units for Department of National Defence, $3,855,000; D.N.D. units in remote areas, $6,145,000; and permanent improvements to war workers' and servicemen's houses, $1,500,000.

Mr. Fleming: How does this relate to the program for this present fiscal year? As I understand, we are not being asked to provide money in these votes for any year beyond the present year; am I correct?

Mr. Winters: That is right, Mr. Chairman, we are simply asking for a commitment to undertake this additional work which, as my hon. friend says, was not contemplated when the item in the main estimates was made up.

Mr. Fleming: What I want to be quite clear about is what the house is being asked to do. It is being asked to vote something over $1 million this year so far as Deep River is concerned, but I trust there is no suggestion that the passing of item 820 carries with it approval to expend in the future $14,208,000; am I right in that?

Mr. Winters: That is correct, Mr. Chairman, yes.

[Mr. Fleming.]

Item agreed to.

The Deputy Chairman: Shall we now consider item 400? Order. I should like all hon. members to give all their attention to the study of the estimates. With all the conversation that is going on, it is extremely difficult for speakers to be heard by the Chair or by the minister who has to give his answers. It is also difficult for hon. members to understand the chairman. We shall now revert to item 400 on page 48.

Housing—

400. Emergency shelter—administration, $300,000.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Fleming: I think the minister should have something to say to us on this item of emergency shelter.

Mr. Winters: The amount of $300,000 here for emergency shelter is made up as follows: administration expenses, $3,000; projects operated by Central Mortgage and Housing Corporation, $97,000; municipal and university projects, settlement of leases, restoration of leased land, $100,000; payments re commitments on account of structural maintenance, $100,000. Those are the moneys required to operate the emergency shelters which are still operated by the Central Mortgage and Housing Corporation and to restore land to the condition in which it was when taken over for emergency housing, at the time the emergency housing is closed up and the land is returned to its previous owners.

Mr. Fleming: Can the minister not be more informative in his statement? He has not told us where they are located or much about them. Those are general statements.

Mr. Winters: In 1945 the administration of the emergency shelter regulations was a responsibility of the wartime prices and trade board. The principal functions of the administration were to expedite the release of government buildings suitable for conversion to emergency shelter and the bringing of vacant houses into occupancy. By order in council P.C. 7502, of December 28, 1945, the administration was transferred to Central Mortgage and Housing Corporation. As the housing situation became more acute in early 1946, a more positive approach was adopted in emergency shelter matters. Municipalities were directly encouraged to anticipate their shelter needs and to establish a "cushion" of shelter against future demands. To this end the administration began to give financial

assistance to municipalities in connection with "out-of-pocket" expenses of providing emergency shelter. A program was initiated to assist universities to provide emergency shelter for married veteran students and financial aid was granted to universities to cover the cost of providing such accommodation. The pattern of financial assistance was generally grants of one-half the cost—

Mr. Fleming: I do not wish to interrupt the minister but perhaps we can shorten this a little bit.

Mr. Fournier (Hull): You knew all that.

Mr. Fleming: Yes. That is not what I asked the minister. I did not ask him to go back and review the history of emergency shelter administration. I think we are familiar with that. What I was getting at—

An hon. Member: Finish it.

The Deputy Chairman: Order.

Mr. Fleming: There are some hon. members on the other side, Mr. Chairman, who apparently wish to hear the minister's statement. I thought I was saving the minister some time, but if the hon. members wish to hear it I will not interfere with him. What I hope to hear from the minister some time is some information with relation to the particular items he mentioned as making up the figure of $300,000. He has not indicated one place to which reference was made. Can he not give us some idea just what is the exact scope of the operations under this item? That is all we are asking for.

Mr. Winters: There are still under emergency shelter about ten projects on direct account operated by the Central Mortgage and Housing Corporation and about one hundred that are operated jointly by the corporation and provincial and municipal governments. I can get for my hon. friend a list of them and of where they are. I do not have it before me at the moment, but I can see that he is given it.

Mr. Fleming: Can expenditures under this item be made on all those? Is that correct? I did not get that impression from the statement.

Mr. Winters: Yes, that is correct; for maintenance, where dry rot and deteriorating elements such as that are setting in. Also, as I mentioned before, for restoring the land to the same condition it was in when it was taken over for emergency shelter purposes.

Item agreed to.

Special projects branch—

393. Trans-Canada highway division, $300,000.

Mr. Black (Cumberland): I have a question or two to ask the minister, but I am not going to delay the committee as this item was fairly well discussed the other night. There may be some other members, however, who want further information. I want to be brought up to date. I want to know if there is any further communication with the province of Nova Scotia and whether that province has entered into the agreement with respect to the construction of the trans-Canada highway. I should also like to know what proportion of this $20 million that is being provided this year by the federal parliament for the construction of the trans-Canada highway is being earmarked and set aside for the province of Nova Scotia, assuming that an agreement will be entered into. The province of Nova Scotia has announced the location of the trans-Canada highway although we may not all agree with the decision. I said the other night that the Nova Scotia legislature had passed legislation giving authority to build this highway and it would appear that the difficulty with regard to their not entering into the agreement and not having the work proceeded with must be the fault of the minister or of the federal government pending the production by him of the correspondence between himself and Nova Scotia. I should like an answer from the minister before this item passes.

Mr. Winters: On the question of allocating funds for the province of Nova Scotia, I may say that there has been no attempt to allocate funds for any particular province. We have agreed to undertake to pay for work as it is completed. As I said earlier, we will pay for back work as new work is completed. My hon. friend asked the other night if I would table the correspondence we have had with the province of Nova Scotia. I undertook at that time to contact the government of Nova Scotia. I have done that, but I have not yet heard from them as to whether or not they have changed the stand they took when I put the same question to them previously.

Mr. Fraser: I have just one question. Are you going to have a special trans-Canada highway marker? The reason I ask that question is that in the United States there are such markers on trans-continental roads and I wonder if we are going to have them here, because they are helpful.

Mr. Winters: During our conferences we have said that we would leave to the provinces matters of that nature but that if we could help out in any way by co-ordinating the efforts of the provinces, we should be glad to do it. We also expressed the view

that the Goods Roads Association would also be pleased to have uniformity with respect to such matters.

Mr. Hodgson: I should like to ask the minister if the federal government or his department intends to build any of this road themselves, or is it all being built by the different provinces?

Mr. Winters: The only part of the highway that the federal government itself will build is the highway through national parks.

Mr. Ferrie: I want to bring to the attention of the minister the road that has been proposed through Manitoba, Saskatchewan and up through Alberta. When you consider that, I think you will realize that the point where this highway is going is away from the populated area of the three western provinces. I should like to bring to his attention the fact that from Winnipeg west we have a railroad that belongs to us, to the people of Canada. The highway that is to go through the three provinces in western Canada is to go down along the southern route, which does not help our own railroad. The highway should really and truly head in a northwesterly direction from Winnipeg. It should start out from the bridge at Lockport and head west till it hits the C.N.R. railroad. It should then hit northwest right through Dauphin and Kamsack. If the road were built that way it would help in another direction during the course of its construction. It would help with regard to the railroad bridges. There are railroad bridges that will have to be built very soon along the Canadian National railroad. They could be put in and serve a double purpose. There is the one across the Assiniboine between Dauphin and Kamsack. There is another one between Humboldt and Saskatoon at Clark's crossing. The highway should follow the Canadian National railroad right from Dauphin. It should run in a northwesterly direction right clean through to Edmonton.

One of the important sections of the agreement was that the road had to go by the shortest route. The route that the highway is taking from Winnipeg west is not the shortest route. It is wrong for the government to spend that large amount of money going down through that dried out area, through a part of the three western provinces where it will not serve the population that it would serve if it were three hundred miles farther north.

Mr. Cardiff: Look at the kind of government you have.

Mr. Ferrie: So far as governments are concerned, we have three different kinds in western Canada. I am not going to say what I think with regard to the payment being made on highways that are not and never will be up to the standard that we expect in western Canada and in all of Canada for a $300 million expenditure.

This money should be expended to give the best service to everybody in Canada. The southern route is not the best route, and it is not the route that will serve the people of Canada best. The southern route goes within fifty miles of No. 2 highway in the United States. That is not rendering a right and proper service to the people of Canada. The development of Canada today, and more especially in western Canada, is in the northern areas. The northern area is the area that will be developed. If anything should be done, then this highway should be headed in a northwestern direction from the big city of Winnipeg to the city that is going to be one of the biggest cities in Canada, namely, Edmonton.

Let me say something else. We should have put the pipe line down alongside the railway. The three should run together, the railway, the highway and the pipe line. Why should they run together? For the simple reason that the people of Canada have a railroad that is running up deficits, and it would help to pay the deficit.

Mr. Cardiff: Why did you vote against us?

Mr. Ferrie: The taxes that the people are going to have to pay because of the deficit of the Canadian National Railways could be very easily taken care of by a good highway alongside the people's railroad. The people's railroad is the Canadian National railroad. Where this highway is going belongs to the Canadian Pacific Railway. It is time we began to realize that the people's money should be spent where it can render the greatest service to the greatest number of people in Canada.

I want to bring to the minister's attention—and I see he has gone and has left a substitute. If his assistant were to do what is really and truly in his mind I am sure he would see that that highway went the way that I am asking that it should go, namely, through the Yellowhead pass.

Some hon. Members: Ask him.

Mr. Cardiff: Put him on the spot.

The Chairman: Order.

Mr. Ferrie: Hon. gentlemen on my left say: "Put him on the spot." I say to them: I am not that kind of a boy. So far as you fellows are concerned you think that you can say certain things.

Mr. Cardiff: You don't know the way to vote.

Mr. Ferrie: I don't have to vote the way that you tell me to, but you have to vote the way you are told.

Mr. Cardiff: You have not got a mind of your own.

Mr. Ferrie: I want to bring to the attention of the parliamentary assistant—

Mr. Cardiff: If you have, you don't know how to use it?

An hon. Member: The provinces choose the route.

Mr. Ferrie: I am not talking about the way in which the provinces choose the route; I am not talking about that at all. We know that the province chooses the route. We know that the province has done what we think should not be done. I am talking in this house not for the provinces but what I feel is for the good of Canada. I want to say this. I have been a municipal man in this country for many years. I have come to realize that today Canada is on wheels, and we need good roads. If these gentlemen to my left want to know something—

An hon. Member: We do not want to know anything.

Mr. Ferrie: No, you don't want to know anything. You never did anything but talk, in Ontario, as long as I have known Canada. And as far as this highway is concerned, I want to make it definitely clear that we have produced in western Canada, and these gentlemen on my left know that we have produced and done things in western Canada which have made them very well off, so that they could have good roads in eastern Canada. They have them in Ontario, and they have them there because they get the money from us in western Canada.

[*Inaudible interruption.*]

As one hon. member says, we never had money in western Canada. I want to tell hon. gentlemen that between 1920 and 1946 we produced in western Canada ten billion bushels of wheat. Who got the money for it? Yes, who got the money? The people of Ontario and Quebec; they got it.

Mr. Adamson: Boo! boo!

Mr. Ferrie: You can boo as much as you like, but I want to tell you that so far as you are concerned you have had your benefits from the people of western Canada. And I can tell you a little more, but I don't want to.

Mr. Adamson: Tell me everything.

Mr. Ferrie: Maybe I would fill your ears too full. So far as we are concerned in western Canada, we want a highway for that part of our country. We will not have the money to provide a highway of the standard we should have. Therefore we have to come to the federal authorities for help. If that highway is to be in the southern part of the province it will cost a great deal of money; that money will be spent down there in the building of the highway, and the people in the northern part of the province will be taxed to keep the highway in condition. Only a limited amount of money can be taxed in western Canada for highway purposes.

In Saskatchewan alone we have more highway service than Manitoba and Alberta put together. We have to provide highway facilities to more people than use such facilities. I want to bring this to the attention of the minister, that it is going to be a very serious thing for the people of Saskatchewan. It does not matter which government is in power in that province, because only a certain amount of money can be spent on highway construction. I am asking the minister to see that something is done to provide a highway system in the northern part of the three western provinces.

Mr. Cardiff: They will not pay any attention to you; you do not vote the way you think.

Mr. Ward: Mr. Chairman, it is not for nothing that I rise to delay the passage of this item, and particularly at this stage of the session when I know all hon. members wish to finish the work. Indeed, I believe many of them have made reservations for their passage home.

However, I am so dissatisfied with the terms of the agreement, from the point of view of the dominion government and the federal treasury, that I feel we are justified in delaying the passage of the item until we have had some further discussion. Had the minister been here I should have liked to ask him three questions, and the first would be this: Are the terms of the agreement being lived up to by the provinces?

From evidence gathered to date it is my understanding that those terms are not being lived up to, and nothing is being done to see that they carry out their side of the agreement. That agreement calls for certain specifications and, secondly, that it shall follow the shortest feasible route. I am not particularly interested in Ontario, but I am

told that the route as laid out in this province is 160 miles longer than it should be. Certainly that is not carrying out the terms of the agreement.

Mr. Warren: Keep to your own province.

Mr. Ward: Coming to those provinces in western Canada in which I am most interested, I find that the route laid down and accepted under the terms of the agreement is one hundred miles longer than would have been necessary had it taken a more northerly course, and a course which would have been more in keeping with the hopes and dreams of the Canadian people. Certainly that is true of the people in western Canada.

As was pointed out by the hon. member for Mackenzie, according to reports which have been made the route is laid out along the southern part of the three prairie provinces in what might be called the dust bowl, within fifty miles of the international boundary. Just over that boundary line to the south there are several of what might be described as No. 1 highways.

We in Canada should build a trans-Canada highway worthy of the title. What could be more embarrassing than for us to proceed in a manner whereby we would accept, as I believe some governments are expecting the federal government to do, number two and number three grade highways as part of the trans-Canada system. We would end up with the federal treasury paying 75 per cent of the cost and still not have a highway worthy of the name.

To show that this dissatisfaction did not arise since we came to this session of parliament, or since the item appeared in the estimates, I should like to read a letter which appeared in one of the Winnipeg papers several months ago. It was in reply to an editorial that appeared in the Winnipeg *Free Press* and indicates that our satisfaction with the agreement certainly is not all that might be desired. I shall tell you who wrote the letter after I have finished reading it. It reads:

> Commendations are in order for the keen interest the *Free Press* is taking in the proposed trans-Canada highway. In your leading editorial of December 1, 1949, however, you have left at least some of your readers rather confused as to just where you do stand on the all-important issue of standard plus location.

Then he quotes the editorial:

> "The new highway has been too much discussed in terms of parochial benefits and not enough in terms of nationhood."

The letter continues:

> And, further on in your editorial you state: "As far as Manitoba is concerned one-third of the work has already been done." Where the confusion arises, Mr. Editor, is as to which road you are referring to."

I pause here to point out that the one-third of the highway through Manitoba referred to in the editorial is the portion from Winnipeg to Brandon. The letter continues:

> Surely not the present No. 1 highway from Winnipeg to Brandon for if this at best third-rate highway is to be the standard of a trans-Canada or coast to coast highway, then God forbid that we should be so nationally indiscreet, so prejudiced, so short-sighted as to think that we can fool other Canadians and much less Americans, by designating a third-rate highway by a first-rate name.
>
> If we are to keep our Canadians travelling east and west in Canada and attract Americans to do the same we will have to do better than that. As the writer sees it, the thing that is bedevilling the issue in Manitoba and likely in most other provinces is the painful amount of selfish parochialism. As you so well put it, Mr. Editor, we must, if the highway is to justify the expenditure, make it so good in standard and location as to be not only a practical alternative to the highways of the United States; it must be even more attractive, more appealing.
>
> To continue with your editorial, what does the "shortest practical east-west route consistent with the needs of the provinces" mean? Does it mean a wandering road, meandering here and there to take in as many local communities and constituencies as possible? If the reports we get here are even half true that is exactly what some provincial governments would do.
>
> For example, reports reaching Ottawa, in some cases from provincial government level, are to the effect that the route already chosen by them is through the extreme south or dust bowl of the prairie provinces, and will meander around to the extent of lengthening the distance over the three prairie provinces by more than a hundred miles—

And that is correct.

> —in excess of what would be necessary if a more northerly route was taken—

That is what the hon. member for Mackenzie suggested.

> —and one eminently more desirable, and passing as it would through our wooded areas, closer to our many beautiful lakes surrounded with summer resorts, and above all closer to our magnificent western parks second to none.

I might point out that the number of people who visited Riding Mountain national park in Manitoba last year almost exceeded the number who visited Banff, and the way it is progressing perhaps in another year or two it will be Canada's No. 1 park. Yet we are going to skip it, not go near it. Apparently we do not want the public to see it. The letter continues:

> Yes, Mr. Editor, politics and shortsighted parochial benefits may, if left unchecked, bedevil and destroy the hopes and dreams of millions of Canadians in the pleasure and economic benefits to be derived from a real trans-Canada highway.

There is a world of truth in that statement. As the highway is now laid out through western Canada there are no trees, lakes or parks. Neither is there any fishing or boating. There is nothing to attract anyone. To go back a few years to the period

of drought in Saskatchewan—and there are some from Saskatchewan who will remember this better than I do—I recall driving through that province on one occasion when I had to drive most of the way from the Manitoba boundary to Regina with my car in low gear in order to plow through the sand that was blowing across the country. Is that the show we want to put on for our United States friends and others when they visit our part of the country? I do not think so.

If we take the more northerly route we can save 100 miles in the distance across western Canada and we would tap some of the finest lakes in the country. Although I represent the district in which Dauphin is located, I am not particularly interested whether the road goes that way, but if it does then it will pass through timber country where there are many fine summer resorts and good fishing and boating. In the district of Grand View and the Duck mountain area there are eight or ten beautiful lakes. The mountain rises 2,700 feet above sea level. It is a wooded area with fine spruce, jackpine and other types of trees. Last year the provincial government constructed a good highway to Duck mountain. There are many beautifully treed lakes around the mountain. There are lakes like lake Laurier, named after Sir Wilfrid Laurier, Blue lake, as blue as the ocean, Child's lake, Wellman lake, and Jackfish lake. They are all good fishing and boating lakes with excellent summer resorts, but we are going to skip all this.

The more northerly route would then proceed west to the region of Madge lake in the constituency of the hon. member for Mackenzie where there are beautiful summer resorts and lovely wooded country. Then it would continue westward to Saskatoon and Edmonton, and last but not least, the Alaska highway and the Yellowhead pass. There is everything to attract the public to travel over a route in the more northerly part of our western provinces, while there is nothing at all in the south. There must be an answer, and that is what I want to ask the minister. I should like to know why the terms of the agreement are being ignored, why the shortest practical route is not being followed, and why we are accepting third-rate highways, referred to in the letter which I read as a part of the trans-Canada highway. It would appear to me that we will end up with no trans-Canada highway at all. It is so ridiculous to think that out of the conglomeration of bits and scraps of roads across Canada we are going to build a trans-Canada highway and the dominion treasury is going to pay for it.

We have undertaken to pay 50 per cent of the cost of roads already constructed, and many of them are already worn out. I know they are in the province of Manitoba. They are only third-rate highways, and that is no reflection upon that province because they are just as good there as they are in most other provinces, and probably better than some. What we will have will be a highway that will not be worthy of the name "trans-Canada", just as the letter pointed out. Could anything be more embarrassing to the travelling public, to Mr. and Mrs. America who come to Canada to travel over our new highway, only to find that instead of the highway they had dreamed of and heard of up here in Canada, they must travel on only a third rate road? I can imagine Mr. and Mrs. America coming to Manitoba, perhaps from the northwest states, intending to go west over our trans-Canada highway, and coming to the city of Winnipeg. As the highway is laid out now it could not follow a more tortuous route, taking people right through the heart of the city. What could be more ridiculous? They would be lost before they got out of Winnipeg. Then when they had travelled another forty miles west Mr. America would think surely they must be on the wrong highway. Mrs. America would say, "No, the sign says trans-Canada highway." So they drive on and at the next town inquire where they missed the trans-Canada highway, only to be told that they are still on it.

Then they drive on through the sandhills, over a second or third class highway to Brandon. When they get there they find that the road takes a sharp turn down a steep hill crossing a long, narrow bridge, with room for only two cars, over the C.P.R. tracks. Again they will be lost before they get out of Brandon. When they do get out of that city, what do they find? Talk about a dog's hind leg; no dog had a leg as crooked as the route from Brandon to the Saskatchewan boundary. Then when they get to Saskatchewan it is still worse; and that is to be the trans-Canada highway.

It seems to me, Mr. Chairman, that if we are going to spend $300 million on a highway we should start right. There may be an answer; there may be some reason for the rush to build the trans-Canada highway out of these bits of roads we now have. If there is we should be told the answer; but I do say this question should have been fully discussed on the floor of parliament before any agreement was entered into or a dollar was pledged. I do not want to delay the committee, though many other things could be said in opposition to the proposed route. The trans-Canada highway should be better

than the other highways; it should be something that would be a credit to Canada, that would make those travelling over it want to come back again and again to see our country. For goodness sake let us put it through that part of the country which has some attraction for tourists, not through the dust bowl of western Canada.

I am told the situation in Ontario is just as bad as anywhere else, and perhaps a little worse. I am told that parochialism has so bedevilled the plan in Ontario that they are taking the highway away down around by Peterborough. The hon. member for Peterborough West must be a good pleader to have the highway extended 160 miles further than it should be.

Mr. Fraser: That is a new highway, and they have to come to Peterborough, which is the best part of Canada.

Mr. Ward: That is just an example of what the editorial meant when it referred to provincialism and parochialism. Why, the way the highway wanders around western Canada, nearly every cabinet minister has had it come through his constituency; and we are asked to vote $300 million to build a road like that, which some day will bring us terrific embarrassment.

I do not know whether these words will do any good. I very seldom speak in the house because I have discovered that talking does not do much good. About eighty-five per cent of the speeches made this session were not listened to by anyone, and that is pretty well true of every session. I do my work outside, where I hope it is more effective. I made every appeal possible to the minister to try to prevent this thing happening, but the agreements were signed. I noticed that someone down in Nova Scotia was hesitating about signing it. Well, if that man belongs to the provincial government there is something wrong with his head if he hesitates to sign this agreement, because if ever anything was loaded in favour of the provinces, this is.

I have no objection in the world to the federal government giving the provinces some money for the construction of roads. That is all right, but let us not call those roads a trans-Canada highway. If we do we will only fool ourselves and others. If we want to give the provinces money to help them build roads, all right; but when we set out to build a trans-Canada highway let us build one worthy of this country. We are a great country, a big country, a wealthy country. We prate about our standards, our prestige in international affairs, and so on. Let us build a highway that will be a credit to Canada, that both Canadians and Americans will talk about and be proud of. Let us not build a road that will be forever an embarrassment to all of us.

Mr. Fraser: The hon. member who has just taken his seat wondered why the highway should go through Peterborough. I believe No. 7 highway was selected because it is practically new; it has been paved and is almost as smooth as the rug on the floor of this chamber. It goes through the centre of the greatest tourist area in Canada, through Peterborough, Victoria and Lindsay and up through the Muskoka lakes. By going through Peterborough the people of Toronto and other highly populated sections have a chance to reach that highway without having to travel a great many more miles.

Mr. Stewart (Winnipeg North): In view of the representations that have been made, does the parliamentary assistant think the trans-Canada route should go through Edmonton?

Mr. Smith (Calgary West): I am going to help the parliamentary assistant answer that question; we have been friends for a long time, and I am sure he will be grateful. It does seem to me that we are wasting a great deal of time. This matter has been settled for so long that perhaps many of us have forgotten. To hear some people speak you would think they had never heard of Banff or Lake Louise, but in spite of their short memories those two most popular resorts in Canada are still doing business. I was interested in hearing the last speaker tell us about the attractions of his constituency, and I am quite prepared to admit them; I am sure it is the garden of the world. He forgot two of the main attractions on the route he suggested, however; one is gophers, and the other is mosquitoes.

Mr. Murray (Cariboo): It is too late now to change the decision to permit the province to decide the route, but the natural and proper route for the trans-Canada highway east and west is through Edmonton to the city of Prince Rupert. That would join the great Cariboo highway on the one hand, and the Alaska highway to the north. Tonight the Pacific ocean is the centre of world attention, and Prince Rupert, as my hon. friend from Skeena would say, is two or three days closer to the ports of Asia than any other port on the American continent. It is a strategic city, a city of great promise in the future from an industrial angle. The proper place for the trans-Canada highway is to bisect Canada at depth, and pass through the city of Edmonton through the priceless tourist area of Jasper to Prince George and to the seaport of Prince Rupert.

Mr. Prudham: I should like to say a few words, but I am not going to become involved in the controversy over the route. The specifications laid down at the dominion-provincial conference last December are being rigidly adhered to by the provinces. I would remind hon. members that the agreement specifies that the route shall not only be the shortest, but the shortest practical route.

Mr. Higgins: I would be glad if the newest province's share of the trans-Canada highway could be carried by somebody other than the newest province. One day this week the minister announced that the specifications for the Newfoundland part of it were going to be exactly the same as the specifications for all other provinces. When the provincial minister of public works came here in April to sign the contract, he said he could not sign it because he felt the specifications could not be met owing to the cost. I should like to ask the parliamentary assistant what has happened to enable those specifications to be adhered to, and who is meeting the cost, if any?

Mr. Prudham: Mr. Chairman, I understand that in the case of Newfoundland, certain modifications of the specifications are now being considered under the agreement. It will still be a serviceable highway, but not of the standard required in more densely populated centres.

Mr. Higgins: You do not mean to tell me that the minister's statement was not correct?

Item agreed to.

Canadian Government Travel Bureau—

399. To assist in promoting the tourist business in Canada, $1,514,421.

Mr. Hodgson: There is a large item in this vote for advertising and publicity, amounting to nearly a million dollars. Will the parliamentary assistant tell us where this advertising is being conducted?

Mr. Pouliot: Before there is an answer, may I say something about Mr. Leo Dolan, who is in charge of the travel bureau. He has done an excellent job of advertising Canada in the United States. Due to his efforts—

Mr. Hodgson: I asked the parliamentary assistant to answer this question.

Mr. Pouliot: My hon. friend is not alone in the house, and while the parliamentary assistant weighs the argument he presented, I do not see why another member of parliament has not the right to speak. The hon. member who has put the question has no mortgage on the time of the house. He has an opportunity, in common with other members, to ask his question, and the parliamentary assistant has a right to answer whenever he feels he has to do so. In the meantime another member of parliament has unquestionably the right to say what e has to say about a matter of this kind involving an expenditure of a million and a half dollars.

I recall the time when another party was in power, and we had the travel bureau. A large amount was spent under Mr. Manion, who was the leader of the Conservative party. He appreciated the work that was done by the travel bureau, and believed that Canada should be advertised. How many people in the United States are interested in Canada, but do not know much about it? It is my duty as a member of parliament to congratulate Mr. Dolan on having publicized Canada, as he has so successfully in so many of the large cities in the United States. He has made the tourist industry an important business in Canada. Very often I have complained about some civil servants, and I am pleased at this time to be able to say I am satisfied with one. I do so with the utmost pleasure.

Mr. Prudham: Mr. Chairman, in answer to the member for Victoria (Ont.), the money is all spent in the United States.

Mr. Herridge: Mr. Chairman, I have sat here all evening without making any comment on these items, and I intend to make a few comments on this item regardless of the "Oh's". First of all I am pleased to see there is an increase in this item of $216,000 because I think that this department is one which is well worth any extra expenditure. Before proceeding with the brief remarks I wish to make on this item, I want to say that I think Mr. Dolan and his staff are doing an excellent job. I have found evidence of that from people I know in the United States, and from people across Canada. One thing I liked from what I have seen of the staff of the Canadian travel bureau is that they actually do attempt to promote tourist travel in Canada. I believe there is excellent esprit de corps amongst the staff of the travel bureau.

Mr. Chairman, I rise to make my annual speech on this subject, and to urge again that as much advertising as possible be undertaken of the smaller resources in Canada, whether they be in central Canada, western Canada or any other part. We can leave the advertising of the larger resorts, such as Lake Louise, Jasper, the Seigniory club and the Chateau Frontenac to the railroads. I noticed an excellent article in the

Christian Science Monitor dealing with tourist opportunities in Canada. It dealt entirely with the larger resorts in Canada. Mr. Chairman, there is a small percentage of the Canadian people of modest means, or people from the United States of modest means, who are able to visit the larger resorts. The average Canadian of modest means wants to attend a place at modest cost, where he can have his meals without having to put on his best bib and tucker. I do urge that everything be done to advertise the resorts all across Canada that are operated by the smaller people for the smaller people of modest means. That would be my only criticism of the literature published by the Canadian travel bureau. There happen to be in my constituency numbers of very excellent small resorts which some of the members of the House of Commons visit periodically. We have fishing, hunting, swimming, boating, mountain climbing, hot springs and skiing in the riding of Kootenay West. On the Kootenay lake we have the Kootenay cottages, Kootenay bay resorts, the beautiful Balfour beaches and resorts, the areas around Nelson, the north shore, and the beautiful fishing camps and resorts around the city of Kaslo. In the Arrow Lake district we have Halcyon hot springs for those who want medical treatment and Saint Leon hot springs for those who want to sun bathe, fish, hunt or swim. We have the lovely district around Nakusp and we have the district of Deer Park and the Lardeau where any member of this committee can go and be certain of getting a grizzly bear in the season at any time. In addition to that we have the remarkable community enterprise in the Rossland ski lift on Red mountain.

An hon. Member: Krestova.

Mr. Herridge: An hon. member opposite mentions Krestova, but that would be a tourist resort from an entirely different angle from the one I am mentioning now.

I do urge that these smaller resorts throughout Canada be advertised to the fullest extent because they are the type of resorts that the bulk of the American people of modest means and the bulk of Canadian people of modest means want and are able to patronize; and they are operated by people of small and modest means. In the district of southeastern British Columbia one finds 40,000 square miles of mountain scenery, and everything the tourist delights to enjoy. I do urge in conclusion that the full facilities of this bureau be used to advertise the beautiful but smaller and in many cases almost unknown resorts in Canada.

[Mr. Herridge.]

Mr. Adamson: I want to ask the minister one question. I should like him to ask his highly efficient travel director, the next time he is in Montreal, if he will tell the Canadian Pacific Railway that there is $300 million invested every year or spent every year in skiing. Along the main line of the Canadian Pacific Railway is the finest skiing in the world and practically nothing is being done about it. I wish that the government would try to nudge the railway to do something about it because we have the greatest potential tourist asset along that main line of any anywhere, not only in North America but anywhere in the world.

Mr. Hodgson: I want to thank the minister for answering my question. I am glad they are doing their advertising in the large cities of the United States, because I feel that the American tourist industry is one that can be developed. We have quite a number of American tourists coming up into our section of the country each and every year; and more are coming year by year. These American tourists, our cousins, make arrangements for anywhere from $200 to $3,500 per family in American exchange when they are coming over here. They make that arrangement before they come here, so that I know they are spending a great deal of money. We know from the banks the amount of American money that perhaps is collected from time to time in our local banks. It is a great asset to us to have the American tourists come in here. It is new money. It is therefore fine for everybody within our area. I am saying thanks to the minister, and I am glad they are spending as much money as possible in promoting the tourist industry and advertising in the United States.

Mr. Murray (Cariboo): I find myself in sympathy both with the C.C.F. gentleman and with the hon. member for Victoria (Ont.). On opening the New York *Times* the other day I read a wonderful article dealing with the Alaska highway. Nobody had paid for the article; I mean, it was not an advertisement; it was a descriptive article dealing with the Alpine attractions or the tourist attractions of that area. I found out later that it had been placed there by this agency which is under this department. The Chicago *Tribune* also from time to time, in its Sunday edition, carries extensive articles dealing with northern British Columbia and the Yukon, and the attractions there. It costs us nothing but still these articles are written and the photographs are supplied by Mr. Leo Dolan and his department here in Ottawa.

I think that there are two sources of foreign exchange coming into Canada this summer. One is the sale of our gold and the

other is the receipt of American dollars from the tourist traffic. In the little rock garden represented by the hon. member for Kootenay West there are many attractions, but you can go a thousand miles from there and the attractions increase as you go north. This department is presenting those attractions favourably to the tourists.

Mr. Higgins: I understand that the gentleman you know as "Mr. Travel" is going to Newfoundland in the next two months to assist in the promotion of the tourist industry. I want him to know that, with his past record, we are looking ahead with great interest to the work he is going to do. As far as Newfoundland is concerned, we wish him all sorts of luck. I am speaking of Mr. Dolan.

Mr. Black (Cumberland): I have been interested in the development of the tourist trade ever since the department at Ottawa was established at the instance, I may say, of Senator W. H. Dennis of Halifax. I agree with what has been said with respect to the director, Mr. Dolan, the one who took over this work at the very beginning. It is true that he has been under many ministers in the intervening years. I suppose if he got a little bit of wisdom from each of those ministers, it would be some explanation of the development.

Since the department was established we have gone through some unfortunate years of depression and war. The construction of highways has greatly interfered with tourist traffic. I hope and expect to see greater development in the years directly ahead. If there is one criticism or wish that I might express, it is that more attention should be given to the people in central Canada, to whom we in the maritimes have contributed so much, to encourage them to visit the maritime provinces. There are a number of them who do come down to the maritimes, but a great many go to other places, especially to Maine in the United States, and who should properly come to the maritime provinces and in particular to Nova Scotia which has attractions for tourists unequalled anywhere in any country.

Item agreed to.

POST OFFICE DEPARTMENT

269. Departmental administration, $1,353,625.

Mr. McLure: We have been a long time getting to this department, but we are there. We were on this item at six o'clock, Mr. Chairman, when you and I had a little difference of opinion about the time, whether it was 5·59 or 6·01. Eventually it was called six o'clock.

The item before us is one of the principal items in the Post Office estimates. I wish to direct a few remarks to the Postmaster General. As I said at the beginning, I endorse the sentiments expressed by the hon. member for Peel with regard to the minister's return to the house, and also his remarks with regard to the setting up of a committee at another session.

The Postmaster General gave a very good account of the work of his department and of the increase in sales in his department amounting to hundreds of millions of dollars. We always look upon the Post Office Department as a department that has the opportunity of making large profits. I now ask the minister what was the net profit in the Post Office Department in the last fiscal year. In other years it has been as high as $13 million. With the volume of business that the department has done the net revenue I suppose will be larger than ever. I do not know whether he gave the figure when he was speaking this afternoon.

There is nothing in business that can be produced cheaper than a four-cent postage stamp. It produces the greatest profit of anything that can possibly be produced. Its sales are the largest in the entire department. In this connection I notice one item here that is a little bit discouraging. I refer to the mail service of Canada. An amount of $11,859,213 was paid last year for the mail services by ordinary land conveyance, including rural mail delivery. There is no breakdown for the year 1951 to show what it will be, but in this vote which includes air mail delivery as well as the rural courier delivery, there is a decrease of almost a million dollars, to be exact $948,264. Whether or not this decrease comes entirely out of the earnings of the rural mail couriers is something that I should like to know from the Postmaster General.

The problem of mail couriers has been with us for years. On many occasions in the house and in committee it has been discussed. When we were discussing the vote in 1946 the then Postmaster General promised to set up a committee to study the problem of the rural mail couriers. However, he did not last too long in office, and went out with the promise unfulfilled. If you compare vote 269 with 270, 269 dealing with mail couriers and 270 dealing with the employees of the central offices, you will find quite a difference. During last year there was an increase in salaries amounting to something over $4,450,000, but, as I said, at the same time the rural mail couriers took a decrease of almost a million dollars. I am not objecting to the salaries paid to these officials, but I do object to the

decrease that was handed out to the rural mail couriers, because they are the people who distribute the mail and finally get it out to the people in the different parts of the country.

I might say that there is no class of servant in this country serving the public or His Majesty that can compare to the mail couriers. They have a hard job, and they do it well. I want to draw the attention of the Postmaster General to what happened in Prince Edward Island during last year, and to the mail couriers in my constituency, and I can speak for most of them. They have always been excellent couriers. Some of them have been in the service from 18 to 45 years, and are still key men. They have never had a complaint registered against them either by the public or by the department. I want to mention one of these men who had a mail route of about 28 to 30 miles. During the Christmas season last year we had very bad road conditions in Prince Edward Island. This courier was so anxious to serve the public, especially during the holiday season, when it was impossible for him to take a car over the dirt roads and he found that he could not make it with a horse and rig, that he went and hired a jeep. He also hired a driver for that jeep, and for six days he went with the driver of the jeep and delivered the mail, and did it on time. It cost that mail courier $9 a day for six days, which is quite a sum, besides his own costs. That is the type of men we have down there. I saw another man on the road at one time during that season when it was muddy. He took a car for seven miles on the highway. At the end of the seven miles he had to have a horse and wagon. He drove five miles more with them, and when he got to the end of those five miles there was a crossroad where there was from three to five feet of snow and he had to have a horse and sleigh to cover that distance. Then he had to double back over that same road. I just mention this because the contract of one of these men came up. I say the department should give careful consideration to a faithful man and give him a contract at a reasonable rate, one which would permit him to live and not necessitate his going into debt or to suffer undue hardship. However, the department said that it was not agreeable, and that it felt this work could be done for less money. It was further pointed out that tenders must be called for.

Where a man has given good service for a good many years, and continues to give it, where a man is prepared to serve the people properly, the Postmaster General and the department should be able to figure out what his services are worth so that he can be paid accordingly. It is all very well to say that the average price per mile in Prince Edward Island is $53.

Mr. Rinfret: That is the average.

Mr. McLure: Yes, the average. That may be so, but at the same time that is where the discrimination comes in. For instance, I know of mail routes in Prince Edward Island where they get only $35 a mile, and I know of others where they get as high as $87 a mile.

I could mention one route in particular where the contract calls for $2,400. That is not too much money—not a nickel too much for the 28 or 29 miles that must be travelled. However, I know of another man who travels 27 miles over a harder route and who receives only $1,625, or about two-thirds of the former amount. That is where the discrimination comes in under the present tendering system. The sooner this department can establish some principle whereby it could figure out what would be fair and honest for all these drivers, the better it will be for the service. So much for the mail couriers.

Then, I have another matter to draw to the attention of the Postmaster General, namely one having to do with an official who has been in the service for a long time as stamp vendor. He is now serving his forty-ninth year in the service, is still going strong and giving good service. He has not been pensioned off, and I am told that he has no opportunity of receiving any pension. This man is working under contract and cannot be dismissed unless it is shown that he is not giving proper service.

However, after serving for forty-nine years, without complaint either from the public or from the department, it is time something was done for him. Let us look at his contract. It states that he shall go to work at eight o'clock in the morning and must keep his office open until eight o'clock in the evening every day of the week except Sunday. Every year he is allowed two or three statutory holidays.

Let me contrast this with the average clerk in the postal department. The man to whom I am referring works a day and a half for every day the ordinary clerk works. Therefore, contrasting this man with a clerk, it is clear that while a clerk was working forty-nine years this man would have worked seventy-three.

His contract stipulates that he shall receive as payment two per cent on all sales. He applied for an increase in that percentage when the cost of living drove expenses higher and higher, but was unsuccessful in

his application, and was reminded of the terms of the contract under which he had been operating. What happened? To get rid of this man who had been giving good service, meters were installed. I have no objection at all to stamp meters. According to his contract however he should have received two per cent on all meter sales. Despite the fact that his revenue has been cut in half, the Post Office Department does not allow him that two per cent on meter sales.

I say it is a mean thing when we find a big department such as this one trying to get rid of an employee by taking away his sales through the installation of a meter system. The time has come when this man should be given some kind of pension. I hope my suggestion will not be brushed off, because the plight of this man stands as a blot against the department. He has been working at a low wage, but the department is now proceeding to make something extra by taking sales away from him through the installation of stamp meters.

Last year we discussed the promise to reduce the postage rate from four cents to three cents. I would rather see it retained at four cents until such time as the mail couriers are properly paid for the work they do. I hope it will not be reduced until those people have received something for the fine service they have rendered.

In the post office at Charlottetown there are excellent officials, but the objection I have always taken is that while Prince Edward Island is a province, we have been tacked on to New Brunswick in this particular. We should have the very same rights as any other province—and we are going to get them some day. While this government discriminates against Prince Edward Island, there will be a change of government some day and we will get rid of the discrimination. There is no justice in our being tacked on to any other province. We are a province in ourselves, and according to the terms of our contract of 1873 we are entitled to whatever any other province can have, even though it be on a smaller scale. I would ask the Postmaster General to answer this point.

I would ask the Postmaster General to take up with the Minister of Public Works the matter of a new post office building.

Mr. Fournier (Hull): Where?

Mr. McLure: The one there now is fair, but for the last six or seven years they have been drawing plans for a new one. When the final plans are prepared it will be up to the Postmaster General to see that the post office at Charlottetown is properly located in the new building that has been promised for such a long time. In closing, I hope the Postmaster General will meet our request to set up a committee at the next session of the house for the purpose of studying the problems of the rural mail couriers, and laying down a policy by which they may have some sense of security and appropriate pay for their services.

Mr. Knowles: On April 6 of this year there appeared in the Hartland *Observer* of Hartland, New Brunswick, a news item to the effect that certain changes had been effected with regard to the postal service in that part of Carleton county. Apparently this item of news was rather offensive to one D. R. Bishop, who lives in Woodstock, New Brunswick, which is located in Carleton county. I find that a few days later he published a paid advertisement in the Hartland *Observer* taking exception to the news item that had appeared some days earlier. I should like to call the attention of the Postmaster General to two or three sentences in this paid advertisement over the name of D. R. Bishop. They are:

> I have documents in my file on this matter—
>
> The matter has to do with certain changes in postal delivery.
>
> —to show that I and no one else made all arrangements concerning this matter. Every detail concerning the cancellation of the original plan of the department, the setting up of a new route, additions to the new one, and as to what post offices would be closed, was arranged by me with the department. That can be clearly proven by records not only in my office but by records and road maps sent by me to Post Office Department at Ottawa.

The advertisement continues, but I need not bother reading it all. As I have already indicated, it is over the name of D. R. Bishop, and apparently is an advertisement which he paid for. I was a bit shocked at this barefaced claim to what amounts to the control of patronage in that area, and I felt I would like to get more information about it.

Mr. Sinclair: Is that in your capacity as parliamentary assistant to the hon. member for Victoria-Carleton?

Mr. Knowles: It is in my capacity as one who asked a number of questions earlier in the session concerning patronage, the answers to which may be found on *Hansard*. As a matter of fact, on page 352 of *Hansard* for this session the Prime Minister told me that there were no official records indicating patronage. At page 842 of *Hansard* for this session he said to me:

> The only knowledge I have of anything of that kind is that one of the defeated candidates in a by-election asked me who was going to handle

patronage. I told him that to my knowledge there was no patronage, that there were persons who made certain recommendations to which more or less importance was attached, but that was all there was to it.

The Prime Minister went on to complain about my putting questions of that nature on the order paper. The assurance of the Prime Minister that there was no such thing as patronage really did not convince me, and from time to time during the session I have had instances of it drawn to my attention.

Mr. Sinclair: By whom?

Mr. Knowles: This is one to which I have just referred.

Mr. Laing: Is that a reliable newspaper?

Mr. Knowles: At least the advertisement was paid for by Mr. D. R. Bishop who, I have learned, by checking the parliamentary guide and other documents, was the Liberal candidate in the constituency of Victoria-Carleton in the election held a year ago today. It is quite fitting that we should deal with this matter today. I felt that this claim on the part of Mr. D. R. Bishop that he was telling the post office what to do in Carleton county was one that needed to be investigated. I put a rather all-inclusive motion on the order paper asking for the return of papers concerning this matter, feeling that I would either get the papers and see that Mr. Bishop was right, that he is in charge of patronage down there, and thus patronage would be revealed, or that there would be nothing on the record and he would be shown to be wrong.

It turns out that Mr. Bishop is substantially correct. As a matter of fact, sessional paper No. 85K, tabled on Wednesday, June 21, 1950, in answer to the motion I put on the order paper, reveals even more information than I asked for. By going through this document of some ninety-four pages, I discovered that not only does Mr. D. R. Bishop, the defeated Liberal candidate in that area, have a good deal of influence with the Post Office Department, but so does the senator from that region, to whom communications are addressed from time to time.

I rise deliberately to complain about the affairs of the Post Office Department being handled in this way. It seems to me that it ought to be on a civil service basis, or on a business basis, but not on a patronage basis.

Let me draw your attention to a couple of letters in the file which, as I say, my motion produced even though I did not know they were there. At page 78 of the file I find a letter addressed to the Hon. F. W. Pirie, the Senate, Ottawa, Ontario, over the signature of one of the officials in the operations branch of the Post Office Department. In the letter Senator Pirie is informed that there is a certain vacancy at Mineral, New Brunswick, in the electoral district of Victoria-Carleton. It does not say it is in Carleton county; it is in the constituency of Victoria-Carleton. Then there is this sentence:

Would you be good enough, therefore, to submit for the consideration of the Postmaster General, on the official form attached, your recommendation of a suitable person who will be willing to accept this position.

Mr. Rinfret: What is the date of the letter?

Mr. Knowles: July 8, 1946.

Mr. Pouliot: Was his advice good or bad?

Mr. Knowles: Just a minute—

Mr. Harkness: Eleven o'clock.

Mr. Knowles: I turn to page 72 and I find a letter from the director of operations of the Post Office Department. The department is ready to make the appointment to the post office at Mineral, New Brunswick, but there is this letter of July 21, 1947, to the Hon. F. W. Pirie, Grand Falls, New Brunswick. It states that the department is ready to confirm the appointment of Mr. So and So, but then there is this paragraph:

Before issuing instructions the department would like to know whether Mr. Kinney's appointment meets with your approval. An official form is attached for your convenience.

I remind hon. members that the Prime Minister assured me there was no such thing as patronage, no one handled it, and one of the reasons that one of my questions about patronage could not be answered was that there was nothing on the record. I now have some of the material respecting patronage that is on the record by the medium of asking this question about what is going on in the electoral district of Victoria-Carleton. In this paid advertisement Mr. D. R. Bishop states that he has documents, letters and maps to show that he is responsible for the arrangements that have been made at some of these places such as Holmesville, Mineral, Moose Mountain and so on, and sure enough in the sessional paper for which I asked here are the maps that Mr. Bishop drew and submitted, which apparently have become the basis for the routes that have been established down there. In this file are at least three maps submitted by this same Mr. Bishop.

Mr. Rinfret: What are the maps?

Mr. Knowles: They are maps of rural routes for that area. Then I look at page 34 of this interesting file and find a lengthy

letter under date of January 20, 1950, over the signature of Mr. G. Herring, director of communications, addressed to Mr. D. R. Bishop, Woodstock, New Brunswick, setting out the arrangements finally agreed upon for the postal service in this area. It reads exactly like a letter from an official at head office to an official out in the field; you would not think it was just to a defeated Liberal candidate, but there it is. It is lengthy, so I will not read it, but I will read the reply, which is businesslike and direct. It is addressed to Mr. Herring and reads:

Re Upper Kent R.R. No. 1

This will acknowledge receipt of your letter of January 20. The arrangements mentioned in your letter seem to cover this matter excellently. Therefore I am very satisfied with them.

Very truly yours,

D. R. Bishop

There is no such thing as patronage, says the Prime Minister, and of course no one controls it; but Mr. Bishop certainly thinks he does. In a paid advertisement he claims he does, and the documents he says are on file certainly seem to be there. Then I come back to page 30, where I find that on February 6, 1950, Mr. Herring addressed a communication to Daniel R. Bishop, Woodstock, New Brunswick, as follows:

Re Bath rural route No. 3

I am enclosing herewith a copy of the notice inviting tenders for the above mentioned mail service together with form 95-A for your information.

Yours truly,

G. Herring,
Director of Communications

The next several pages consist of applications that were sent in response to the invitation to tender. Then another letter goes to Mr. Bishop from Mr. Herring on March 20, 1950, informing him that the department intends to award the contract for this service to Mr. Saunders Giberson, the lowest tenderer, at the rate of $1,200 per annum.

Mr. Sinclair: Anything wrong with that?

Mr. Knowles: No, but listen to the next letter, dated March 24, 1950:

Dear Mr. Herring,

I have received your letter of March 20, and have had several protests from very responsible people to the effect that the lowest tenderer in this case is and always has been a most irresponsible person.

It, therefore, would seem that an investigator should be sent up there before this contract is awarded to him.

Yours very truly,

D. R. Bishop

I suppose you would call that patronage in reverse. The next letter is dated March 30, and is from Mr. Herring back to Mr. Bishop, and I think hon. members should get this. It is a most interesting document, and if you did not know who Mr. D. R. Bishop was you would think this was an exchange of correspondence between an official at head office and a responsible official out in the field. But that man out in the field is just a fellow who was a Liberal candidate in the last election. In reply to Mr. Bishop's letter saying that Mr. Giberson is and has always been a most irresponsible person, which is a pretty sweeping statement to make about anybody, Mr. Herring wrote as follows:

Dear Mr. Bishop:

I have your letter of the 24th March with regard to the conveyance of mails over Bath rural route No. 3 and I note your remarks concerning the lowest tenderer.

In reply I may say that this matter will be looked into at once.

Yours very truly,

G. Herring,
Director of Communications

Mr. Rinfret: What is wrong with that?

Mr. Knowles: Mr. Bishop did not take too long to reply. The previous letter was dated March 30, and this one back to Mr. Herring is dated April 3:

I have your letter of March 30 in answer to mine of the 24th. The matter is further complicated by the fact that the present tenderer has requested to be relieved of this contract forthwith.

The general opinion is as I stated in my former letter, but since no one will make any specific charge, I do not feel their complaints should be listened to, and would advise that this man begin his contract as quickly as possible.

Yours very truly,

D. R. Bishop

First of all the man writes a most damning letter saying this fellow is and always has been most irresponsible and should not get the job. Then a few weeks later he writes and reverses his decision, and says that Mr. Giberson should be appointed. On April 6 Mr. Herring replied to Mr. Bishop as follows:

With reference to your letter of the 3rd instant concerning contract arrangements for the conveyance of mails over Bath rural route No. 3, I wish to inform you that instructions have been issued awarding the contract to Mr. Saunders Giberson at $1,200 per annum, subject, of course, to his being in a position to perform service satisfactorily.

Yours very truly,

G. Herring,
Director of Communications

Who is this D. R. Bishop? First of all the department writes telling him that invitations to tender have been sent out. Later on they tell him that so-and-so is going to be awarded the contract. He says no, that fellow is no good; don't give it to him. The department says they will hold up the contract. Then Mr. Bishop thinks it over again and says Mr. So-and-So should get the job, and he gets it.

I could go on, because this is a most interesting file, but I think the point has been established that this hardly conforms to the assurance the Prime Minister sought to give me that there was no such thing as patronage anywhere in the government service, that there was no such thing as defeated Liberal candidates having certain powers in connection with these matters. The hon. member for Red Deer says he knows now why a parliamentary committee will never be appointed to look into post office matters. Not many days ago I had something to say about this same Mr. D. R. Bishop in connection with another department. That stirred up a bit of interesting newspaper comment down in that part of the country, and I find that a letter has been brought to light which this Mr. Bishop circulated before the last election, and even before the Liberal nomination in that constituency. In that letter, which apparently was sent to a number of people and which is reprinted in *The Observer* of Hartland, New Brunswick, of June 22, 1950, Mr. Bishop said:

> You will therefore understand what may seem to be my inaction, but after Saturday I will be around in support of whoever the convention chooses. As you know, I do not particularly want this nomination, but with a new four-lane highway to be constructed under federal supervision from Grand Falls to Eel River, it means a lot of money will be spent here, and that somebody must be in charge of it.

As I say, hon. members must not forget the positive assurance I was given by the Prime Minister on March 1, 1950, at page 352 of *Hansard* and on March 16, 1950, at page 842, that there is no such thing as patronage in the government service and no such thing as defeated Liberal candidates having any say in connection with these matters.

Mr. Chairman, we hear about this sort of thing too often. It just so happens that in this instance one has the evidence. There is more if I want to take the time to read it. If hon. members desire to know about it I advise them to look at sessional paper No. 89C of March 18, 1948; 89E of April 27, 1948 and 87E of April 25, 1949. They will find that all those sessional papers, brought down on motions of other members of the house, produce documents showing the influence that Liberal members of parliament and defeated Liberal candidates seek to bring to bear upon the Post Office Department with respect to its affairs. We know that when there are vacancies in the postal service, advice is sent to the Liberal members. We hear of that from time to time. We do not get it. We do not want it.

Some hon. Members: Oh, oh.

Mr. Rinfret: I have taken a note of that.

[Mr. Knowles.]

Mr. Knowles: Mr. Chairman, I wish the extent of that Liberal laughter could be properly recorded in *Hansard*. The fact of the matter is that Liberals are so immersed in this business of patronage and controlling things their way that they cannot understand anyone not wanting to be a party to it in any way, shape or form. I am protesting against patronage in so far as there is full evidence of it in sessional paper 85K; I am protesting against it in so far as we hear of its taking place in various places. I do insist there is need for getting rid of this kind of thing in the Post Office Department. I strongly support the suggestions that have been made during the course of this debate today that there should be a committee to go into post office matters—not just into the question of the rural mail couriers, but into the whole question of the post office as it is run—with particular reference to the part that senators, Liberal members of parliament and defeated Liberal candidates play in relation to post office matters.

Mr. Pouliot: I just want to say a word in answer to my hon. friend. He has read some excerpts from letters by Mr. Bishop and Mr. Herring, acknowledged in a natural way, in a democratic way. Canadian citizens in New Brunswick did write to the department and they were answered by the department much better than I am myself as a member of parliament. I ask a question of my hon. friend, and I am speaking of the Bishop-Herring file. The most important thing in what he has said is not whether the suggestion came from Bishop or from anyone else; the question is whether the suggestion made by a New Brunswicker to the department is a good one or a bad one. My hon. friend did not discuss that point. The most important point in connection with the business is not who made the suggestion, but the suggestion itself. I challenge my hon. friend to say that the advice given to the Post Office Department by Bishop was not good.

Mr. Knowles: Which advice? The advice to hire him or not to hire him?

Mr. Pouliot: Both. I challenge the hon. member for Victoria-Carleton to repeat what has been said by the member for Winnipeg North Centre. He will not dare touch it because it happened in his own constituency. It is better for the Post Office Department to listen to Bishop of New Brunswick about New Brunswick matters than to listen to the member for Winnipeg North Centre. The member for Winnipeg North Centre is one of my colleagues for whom I have great admiration. I admire his industry, and I

admire his good intentions; but he does not know anything about the post office business in eastern Canada.

Mr. Knowles: What about patronage?

Mr. Pouliot: Patronage is a good thing. Those who pretend to the contrary and do not know about it may be excused. Those who pretend to the contrary and know about it are just hypocrites. It is essential that the Post Office Department or any other department should be informed by men in whom the government has confidence, and who will not betray the government in the advice they give to the department. Is it clear now?

If the department were to listen to the Tories about recommendations, the department would be led into error. If a Conservative government had been in power and the member for Victoria-Carleton had been a supporter of the Tory government, he would never have been able to give such good advice as Bishop did. I have great admiration for him, and I have more admiration for the way he used the member for Winnipeg North Centre as his dummy.

Mr. Knowles: Mr. Chairman, on a point of privilege, I think the hon. member on reflection would rather not be recorded as making that statement. The member for Victoria-Carleton, knowing I am interested in this question of patronage, showed me the original advertisement to which I referred. Members of this house who know me do not need to be told a second time that the minute I saw it I decided I was going to do something about it—on my own. I do not even know whether the member for Victoria-Carleton likes my taking this up, and I do not care whether he does or not. To me it was a most bare-faced claim to be in control of patronage, and I was concerned to find out all I could about it.

While I am on my feet may I say to the member for Temiscouata that when he tells me the government Post Office Department should get its advice from people in whom it has confidence, I agree. The department, however, should get its advice from the officials who the department knows are experts in the field. I am not suggesting they should get advice from the member for Victoria-Carleton, or from the member for Temiscouata.

Mr. Pouliot: I would not touch it.

Mr. Knowles: I am suggesting that we pay considerable sums of money for civil servants in this department, so that the department can have experts to decide on these matters. As for the matter of a person in whom someone has confidence, surely the member does not suggest that a candidate who has been rejected by the constituency is a person to whom the government should look as the man in whom to place confidence. Far better for the department to get its advice from its own experts in the field.

Mr. Pouliot: I will tell my friend one thing. If he is offended by the word "dummy" I will substitute an argument on the word and I will tell him that I never contended that he was magnetized or hypnotized by the hon. member for Victoria-Carleton. All I meant to say was that the member for Victoria-Carleton had made him believe that it was an awful thing, but did not go so far as to admit it. He has admitted that the member for Victoria-Carleton had shown the paper to him, and the light was on the paper, and it induced him to do a lot of work to find that file in which there was nothing wrong. He was easily scandalized.

Some hon. Members: Oh, oh.

Mr. Pouliot: What is wrong with that?

Mr. Knowles: The hon. member for Temiscouata has already said that he wants patronage. We know where he stands.

Mr. Pouliot: If we continued that argument for five minutes, the hon. member for Winnipeg North Centre would admit that I am right.

Mr. Knowles: Oh, no. Never.

Mr. Pouliot: So much so that the hon. membe for Victoria-Carleton will never dare to repeat what has been said by the hon. member for Winnipeg North Centre.

Some hon. Members: Oh, oh.

The Chairman: Order.

Some hon. Members: Carried.

Mr. Knowles: Mr. Chairman—

Mr. Fournier (Hull): Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

SITTINGS WITHOUT INTERMISSION UNTIL END OF SESSION

Right Hon. L. S. St. Laurent (Prime Minister): I should like to ask the unanimous consent of the house to present a motion that I discussed earlier in the day with the leaders of the various groups to the effect that tomorrow and the other days of the session there be no intermission from one o'clock to three o'clock nor from six o'clock to eight o'clock. I move:

That notwithstanding the terms of standing order 6 and of the special order of May 29 last, on

Wednesday, June 28, and every sitting day thereafter there be no intermission of the sitting from one o'clock to three o'clock p.m., nor from six o'clock to eight o'clock p.m.

Motion agreed to.

ADJOURNMENT

Mr. Fournier (Hull): Tomorrow we shall continue with the estimates, beginning with the estimates of the Secretary of State, then Transport, National Revenue, Mines and Technical Surveys, Fisheries, Justice and legislation.

Mr. Knowles: What about Post Office?

Mr. St. Laurent: We shall try to get something done.

It being twenty-five minutes after eleven o'clock the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF TRADE AND COMMERCE

Dominion coal board—

449. Administration and investigations of the dominion coal board, $101,040.

450. Payments in connection with the movements of coal under conditions prescribed by the governor in council, $4,500,000.

National research council—

451. Salaries and other expenses of the national research council, $9,874,903.

452. Construction of buildings and works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects (revote $915,000), $2,210,800.

453. Grant to the Royal Society of Canada, $8,000.

Atomic energy control board—

454. Administration expenses of the atomic energy control board, $57,000.

455. Researches and investigations with respect to atomic energy, $150,000.

Atomic energy (Chalk river) project—

456. Operation and maintenance, $6,113,530.

457. Construction of buildings and works, $1,671,000.

Canadian Arsenals Limited—

458. Administration and operation of Canadian Arsenals Limited, $2,900,000.

782. Canadian International Trade Fair, 1951, including authority to refund from revenue deposits received for contracts for space, $296,500.

Dominion bureau of statistics—

783. Statistics—further amount required, $119,335.

Special—

784. To reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence, under chapter 51, statutes of 1947—further amount required, $31,736.

Atomic energy control board—

785. Atomic energy (Chalk river) project—construction of buildings and works—further amount required, $100,000.

[Mr. St. Laurent.]

823. To provide, subject to the approval of treasury board, for advances to Canadian Arsenals Limited, to increase the working capital fund for the operations of the company, $2,500,000.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

393. Trans-Canada highway division, $300,000.

394. Capital investment data, $12,935.

395. To provide for general investigations by the Northwest Territories power commission of the electric power requirements of settlements and industries in the Northwest Territories and the Yukon Territory, $10,000.

396. To recoup the Minister of Finance for advances to be made to the Northwest Territories power commission during the fiscal year 1949-50 for power development as provided under section 17(2) of the Northwest Territories Power Commission Act, chapter 64, 11-12 George VI, $30,000.

397. To provide, subject to allocation by the treasury board, for the design and planning of deferrable projects, the acquisition of sites and the initiation of construction, $2,000,000.

398. To provide for contribution towards cost of subway at Sudbury, Ontario, to implement agreement entered into in 1939 (revote), $100,000.

Canadian government travel bureau—

399. To assist in promoting the tourist business in Canada, $1,514,421.

Housing—

400. Emergency shelter—administration, $300,000.

Central Mortgage and Housing Corporation—

562. To provide for the advances to Central Mortgage and Housing Corporation for the acquisition of land, the installation of services and improvements in respect thereof, the purchase of building materials and the construction or conversion of housing projects for veterans under the authority of section 34 of the National Housing Act, 1944, and, with the approval of treasury board, for the Department of National Defence, including construction of school buildings, $75,000,000.

758. Departmental administration—further amount required, $23,239.

Development services branch—

Water resources division—

759. Water resources division, including the administration of the Dominion Water Power and Irrigation Acts—further amount required, $71,597.

Wildlife division—

760. Wildlife resources conservation and development, including administration of the Migratory Birds Convention Act—further amount required, $20,307.

National parks and historic sites division—

761. National parks and historic sites services—further amount required, $106,500.

762. National Museum of Canada—further amount required, $16,284.

Northern administrations—

763. Administration—further amount required, $18,095.

Mackenzie river division—

764. Roads, buildings and other works, as detailed in the estimates—further amount required, $102,000.

Arctic division—

765. Operation and maintenance of services, including Eskimo affairs—further amount required, $28,240.

766. Buildings and other works, as detailed in the estimates—further amount required, $3,000.

Engineering and construction services—

767. Engineering and construction services—further amount required, $67,125.

Forestry branch—

768. Forest research division—further amount required, $56,888.

769. Forest products division—further amount required, $14,211.

Special projects branch—

770. Projects division—further amount required, $4,000.

771. Notwithstanding the Trans-Canada Highway Act, to authorize and provide for a payment to the provinces of Prince Edward Island, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Newfoundland, which have entered into an agreement with Canada for construction of a part of the trans-Canada highway, in respect of construction of the highway carried out between December 10, 1949, and the day on which these provinces respectively signed the agreement with Canada, in accordance with regulations of the governor in council; the amount paid to each province, however, not to exceed fifty per centum of the cost to the province of the said construction as determined by the governor in council; the maximum amount authorized to be expended by section 7 of the Trans-Canada Highway Act to be decreased to the extent of any amount paid pursuant to this vote, $250,000.

772. To provide for a contribution by Canada to the improvement and reconstruction of the road between Patricia Bay airport, Vancouver Island, and the city limits of Victoria, B.C., subject to the completion of an agreement between Canada and the province of British Columbia (revote), $150,000.

B—National film board—

773. Administration, production and distribution of films and other visual materials, including authority to finance temporarily work performed for other public authorities or other agencies as the public interest requires—further amount required, $78,524.

774. Acquisition of equipment—further amount required, $5,600.

Central Mortgage and Housing Corporation—

820. To hereby extend the application of the terms of vote 562 in the main estimates, 1950-51, to include the acquisition of land, the installation of services and improvements in respect thereof, the purchase of building materials and the construction or conversion of housing projects for residents of Deep River, Ontario, and to authorize commitments against future years for the purposes of the said vote to an amount of $14,208,000, $1.

Resources and development—

822. To provide for advances to the Northwest Territories power commission for the construction on the Mayo river, Yukon territory, of a storage and hydro-electric development, to serve the Mayo mining district, $500,000.

HOUSE OF COMMONS

Wednesday, June 28, 1950

The house met at eleven o'clock.

THE LATE HON. J. A. GLEN

DEATH OF FORMER SPEAKER OF THE HOUSE—EXPRESSIONS OF REGRET AND SYMPATHY

Mr. Speaker: I am sure all hon. members have learned with deep regret of the passing of the Hon. J. A. Glen, Speaker of the House of Commons from 1940 to 1945.

Mr. Glen was elected to the house first in 1926 as member of parliament for Marquette. He was defeated in the general election of 1930, but was re-elected in 1935, 1940 and 1945. In 1940 Mr. Glen was elected Speaker of the house, and in April, 1945, joined the cabinet of Right Hon. W. L. Mackenzie King as Minister of Mines and Resources. He was a good administrator and a faithful and loyal member of the government to which he belonged.

In 1948 Mr. Glen was appointed to the international joint commission, and he was chairman of the Canadian section at the time of his death.

Those of us who were here when Mr. Glen was Speaker recall the fair and impartial manner in which he presided over our deliberations. During the difficult days of the war he occupied, with dignity and in the best traditions of those who had gone before him, the position which I now hold.

Mr. Glen had not been well recently, but he endured his illness with a courage and fortitude which deeply impressed all who knew him. I know all hon. members will join with me in extending sincere sympathy to Mrs. Glen and her son.

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, as a fellow Manitoban I want to say how much we appreciate what you have said with respect to the late Mr. Glen. I know it will be appreciated also by his friends in our province, as well as those from Manitoba who were associated with him in the House of Commons.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, as one who has had the very great honour of following the late Hon. J. Allison Glen in the constituency of Marquette, I want to say that the sentiments you have expressed will be echoed in the hearts and minds of those who knew him best in the town of Russell and throughout Marquette constituency. From the time he went there as a solicitor to carry on the practice of law, having come to Canada as an immigrant from Scotland, he had the deep and well deserved respect of his fellow citizens, who even before he became a member of this house had honoured him with many positions of responsibility. In my experience in going about that constituency, no matter in what remote part I might be, I would always find the deepest regard and respect for the late Mr. Glen.

I am sure we all join with you in your expressions of sympathy to the family.

Mr. Gordon Graydon (Peel): Mr. Speaker, the official opposition would like to join with hon. members opposite who have paid a glowing tribute to the memory of the late Mr. Glen. We desire to have you convey to Mrs. Glen and the family our deepest sympathy.

Mr. William Bryce (Selkirk): On behalf of this group, Mr. Speaker, I should like to join in this expression of sympathy to those who are bereaved by the passing of Mr. Glen. I have known Mr. Glen for the best part of my life; he always had the respect and admiration of those who knew him, and his passing will be deeply regretted.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I wish to associate myself, and the Social Credit group, with what has been said about the late Mr. Glen. I knew Mr. Glen from the time he first came to the house. In all the various activities in which he participated, he discharged to the full the responsibilities that were placed upon him. He was a good man, and he lived a good life. I am sure he will reap a good reward.

OLD AGE SECURITY

Second and final report of joint committee on old age security.—Mr. Lesage.

FISHERIES

NEWFOUNDLAND SALT CODFISH—REPORT OF PRICES SUPPORT BOARD—DISPOSITION OF 1949 STOCKS

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Speaker, I stated in the house on Thursday last that I would make a statement on the salted cod situation as soon as certain additional information became available. I was referring at that time to important trade

negotiations which were taking place with certain countries where quantitative restrictions of one kind and another have reduced our outlets for salted fish. The results of these discussions will be important in determining the market outlook. Unfortunately these negotiations have not yet reached a point where I can make a conclusive statement to the house, but I feel that I must make a statement on the report received from the fisheries prices support board.

The investigations of the board reveal that most of the existing carry-over in the Atlantic provinces is in the hands of merchants and exporters. There is, however, in Newfoundland a relatively small quantity in the hands of fishermen. The board has recommended that the government should purchase and dispose of these stocks held by fishermen. The board has further recommended that the price to be paid to fishermen should be 66⅔ per cent of the prices received by fishermen from their 1948 production. In individual cases the actual price will of course vary according to the size and grade of the fish and the area of production. The board has recommended against the purchase of these stocks in the hands of processors and exporters.

The government has accepted this recommendation, and has instructed the board to proceed with the purchase of fish remaining in the hands of fishermen in Newfoundland as soon as the detailed administrative arrangements can be worked out. Representatives of the board will proceed to Newfoundland next week. Details respecting prices, points of delivery, inspection, et cetera, will be announced from St. John's at the earliest possible date.

With respect to the stocks held by merchants and exporters in Newfoundland and on the mainland, the resources of the Department of Fisheries and of the Department of Trade and Commerce will continue to be available to facilitate sales in every possible way. I have referred to the special discussions that have been going on with other countries, and can assure the industry that there will be no let-up in our efforts to ease both the short and the long-term marketing problem. Further, it is hoped that additional sales can be arranged with some of the international relief agencies which have used this product in the past.

In the case of representations made to the board, both from Newfoundland and Quebec, that a floor price be established for the 1950 catch of codfish, the government has concurred in the board's recommendation that floor prices should not be fixed at this time. While the outlook for salted fish is uncertain, nevertheless it is felt that the world market should be permitted to find its own level. The board has been instructed to keep the whole problem under continuous review and to make such recommendations to the government as it deems necessary.

As I have indicated on previous occasions, I do not believe that price support is the answer to all the problems of the fishing industry. On December 6 last, I placed before parliament a more constructive solution, that is, that through the development of more efficient catching, processing and marketing practices the industry in all parts of Canada can expand its markets and thus enjoy a larger measure of prosperity. We are making progress in the implementation of this program. I believe that price support may be necessary under certain emergency circumstances to meet drastic price declines which occur through no fault of the fishing industry, but I do not feel that price support is a remedy for every kind of economic problem. I am encouraged by the developments which have already taken place and are now under way.

Mr. Higgins: Mr. Speaker, on behalf of the province I should like to thank the minister for the statement he has just made. There is one particular point that has not been covered, and I would appreciate it if the minister would explain it. It concerns a statement attributed to him arising out of the conference with the chairman of the Newfoundland salt fish board, when Mr. Gushue permitted it to be announced that the conversion of sterling for the sale of up to 400,000 quintals of salt codfish was to be provided. Could the minister say anything about that?

Mr. Mayhew: I had two objectives in view in making this statement today. One was that it would be made prior to consideration of my estimates, and anyone wanting to ask questions about it could ask them when the estimates are taken up; they could be answered with less delay. The other objective was, of course, the necessity for speedy action. If the hon. member will hold his question, I will answer it on my estimates.

REPORTS AND PAPERS

DEBTS OWING BY EUROPEAN COUNTRIES—DIPLOMATIC INSTRUMENTS

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Peel (Mr. Graydon) asked when it was the intention of the government to table the notes concerning relief credits to certain European countries. I wish to lay on the table three copies, in English and in French, of the exchange of notes with

Denmark, Yugoslavia, and Norway respectively. The agreement with The Netherlands was tabled on March 2 last.

I should also like to lay on the table fifteen documents, which are diplomatic instruments published in the Canada treaty series. Perhaps the list might appear in *Votes and Proceedings*, unless hon. members would wish me to read it now.

FISHERIES PRICES SUPPORT BOARD—ANNUAL REPORT FOR 1949-50

Mr. J. W. MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I beg leave to table the annual report of the fisheries prices support board for the year 1949-50. Copies of the report in the French language will be tabled when they are available.

EXTERNAL AFFAIRS

SITUATION IN KOREA—REPORT ON RECENT DEVELOPMENTS

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, perhaps I might be permitted to report to the house on certain developments that have taken place in the last forty-eight hours with respect to the situation in Korea, and to outline the attitude of the Canadian government.

The house will recall that at its meeting on Sunday the security council of the United Nations termed the armed attack upon the republic of Korea as a breach of the peace, and called upon the communist forces to withdraw to the 38th parallel. It soon became apparent that this appeal would be without effect on the communist government of North Korea. Their forces continued to advance on Seoul, the capital of Korea. The United Nations commission on Korea reported that they were convinced that North Korea would pay no heed to the resolution of the security council.

When the charter of the United Nations was drawn up, it was intended that such an act of aggression would be met by the dispatch of forces put at the disposal of the security council by member governments as the result of prior agreements. However, the security council has never been able to negotiate such agreements, for reasons which I need not go into now. In these circumstances, with one link missing in the chain which has been designed to hold aggression in check, it was impossible for the security council itself to take effective action to provide military assistance to the republic of Korea. If help were to be given, the responsibility would have to be shouldered by individual members of the security council acting within the terms of the charter, but on their own initiative. In this case the United States recognized a special responsibility which it discharged with admirable dispatch and decisiveness.

As hon. members will know, President Truman yesterday announced that the United States would send air and sea forces to give the Korean government's troops cover and support. I feel sure that all members of the house will applaud and support this act of high courage and firm statesmanship on the part of the government of the United States.

I think it would be appropriate, Mr. Speaker, if I read into the records of the house the statement of the president. It was as follows:

> In Korea the government forces, which were armed to prevent border raids and to preserve internal security, were attacked by invading forces from North Korea. The security council of the United Nations called upon the invading troops to cease hostilities and to withdraw to the 38th parallel. This they have not done, but on the contrary have pressed the attack. The security council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstances I—

That is, President Truman.

> —have ordered United States air and sea forces to give the Korean government troops cover and support.
>
> The attack upon Korea makes it plain beyond all doubt that communism has passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war. It has defied the orders of the security council of the United Nations issued to preserve international peace and security. In these circumstances the occupation of Formosa by communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area.
>
> Accordingly I have ordered the seventh fleet to prevent any attack on Formosa. As a corollary of this action I am calling upon the Chinese government on Formosa to cease all air and sea operations against the mainland. The seventh fleet will see that this is done. The determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations.
>
> I have also directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine government be accelerated.
>
> I have similarly directed acceleration in the furnishing of military assistance to the forces of France and the associated states in Indo-China and the dispatch of a military mission to provide close working relations with those forces.
>
> I know that all members of the United Nations will consider carefully the consequences of this latest aggression in Korea in defiance of the charter of the United Nations. A return to the rule of force in international affairs would have far-reaching effects. The United States will continue to uphold the rule of law.
>
> I have instructed Ambassador Austin, as the representative of the United States to the security council, to report these steps to the council.

That, Mr. Speaker, is the end of President Truman's statement, issued yesterday. I

should like to point out, if I may, that although the United States government has taken this step on its own authority, it is acting not only in accordance with the spirit and letter of the charter of the United Nations, but also in pursuance of the resolution which was adopted by the security council on Sunday. This resolution, it will be remembered, called on all members of the United Nations to render every assistance in regard to its execution. It should also be borne in mind that the United States has accepted responsibility generally for the maintenance of international peace and security in the Pacific area, and specifically for the maintenance of the security of Japan as the power responsible under international agreements for the occupation of that country. Those specific responsibilities, as well as the responsibilities which are shared by all of the members of the security council—and indeed by all members of the United Nations—for maintenance of international peace and security have no doubt contributed to the decision by the United States to come at once to the aid of Korea. If any further international authorization were needed for the prompt and vigorous action which has been taken by the United States, it has been provided by the further resolution of the security council which was passed last night recommending that the members of the United Nations furnish such assistance to the republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area concerned. That resolution was passed by a vote of seven in favour, one against, and two delegations non-participating because they had not at that time received instructions in regard to this matter.

Mr. Green: Which country voted against it?

Mr. Pearson: The government of Yugoslavia, which had produced a resolution of its own in this matter, voted against the United States resolution. The representatives of India and Egypt had not at that time last night received instructions. I understand they expect those instructions during the course of the day. The U.S.S.R., of course, took no part in the meeting, and the other delegations voted in favour of the resolution.

Possibly I should put on *Hansard* this extremely important resolution of the security council. It reads as follows:

The security council,

Having determined that the armed attack upon the republic of Korea by forces from North Korea constitutes a breach of the peace;

Having called for an immediate cessation of hostilities; and

Having called upon the authorities of North Korea to withdraw forthwith their armed forces to the 38th parallel; and

Having noted from the report of the United Nations commission for Korea that the authorities in North Korea have neither ceased hostilities nor withdrawn their armed forces to the 38th parallel and that urgent military measures are required to restore international peace and security; and

Having noted the appeal from the republic of Korea to the United Nations for immediate and effective steps to secure peace and security;

Recommends that the members of the United Nations furnish such assistance to the republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

That, Mr. Speaker, is the resolution of the security council on this matter. As hon. members know, Canada is not now a member of the security council and therefore no decision on our part was required yesterday in regard to this resolution; but I am sure that the house will support, as indeed does the government, the action taken by the security council, because it represents collective action through the United Nations for peace.

It is the firm hope of the Canadian government, as I am sure it is the firm hope of all members of this house and of the Canadian people, that this action which has now been taken by the security council and by the United States government in conformity with the resolutions of the security council will soon end the war in Korea and thereby make possible a fresh attempt to compose the differences which have long kept that country in a state of tension and unrest, and which have led to the present outbreak of hostilities.

Mr. Gordon Graydon (Peel): I am sure, Mr. Speaker, that the house listened with keen interest and with unqualified approval to the statement of the Secretary of State for External Affairs (Mr. Pearson) indicating the government's policy with respect to support of the security council's decision and the action taken by the United States of America. Perhaps the minister might indicate to the house what that support he has mentioned as having been given by this government may mean when translated into practical terms.

I rose only to indicate that in a matter so serious and so vital to the peace and security of the world as the unprovoked aggression of the North Korean communist forces upon the South Korean territory, the people of Canada, having in mind their great desire for freedom, as they have so often expressed it and fought for it, would expect this kind of support to be given by the Canadian government. I was glad to hear the Secretary of State for External Affairs express it in the terms that he used.

I want to say to the government through you, Mr. Speaker, that when it comes to a

question of such international importance and concern as this, in the twilight between peace and war—to use the expression that the minister used on a previous occasion—all of us in this parliament have a sense of unity of purpose which I hope does credit to the representatives of the Canadian people at large.

On the question of foreign affairs this parliament has sought to speak with a united voice. On an occasion so important and serious as this I want to say that when the preservation of peace itself is at stake, the government can count upon the wholehearted and unanimous support of the opposition in any measures that can be taken which are proper in the circumstances for the preservation of that peace and security. After all, when the vital issues of peace and war are before us there are no divisions in the parliament of Canada. We speak as Canadians rather than as groups divided superficially on party lines. I want to say to the government that we are prepared to lend such support as an opposition can lend in a situation such as this. We hope that the action taken, as the minister pointed out a few moments ago, so rapidly and so decisively by the United States government under the aegis of the United Nations will in the end, indeed in a very short time, bring peace to that area and solve one of the problems which face a troubled world.

Mr. Pearson: I know this matter should not be discussed at this time, but I should like to express my appreciation of what the hon. member for Peel has said, and for the spirit behind his words. He directed a question to the government as to what action we are taking to implement the words of my statement. I should like to point out to him and to the house that we have not yet even received the security council's resolution formally; we saw the text of it last night. I can assure him and the house that we shall be conferring, through the United Nations, with other members of the United Nations as to what part we in Canada can and should take in any future action that may be necessary.

Mr. Green: May I ask the minister to tell us what action has been taken by the other governments? For example, we read in the press that the United Kingdom has already taken action. Can the minister tell us what the situation is?

Mr. Pearson: We have had no information on that matter from any other government as yet.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there will be an opportunity for any extended remarks that may be necessary with respect to this matter on the estimates of the Secretary of State for External Affairs, which will probably be before us tomorrow. I rise now merely to say that we welcome the steps that have been taken to make whatever action the present situation calls for not the action of one power, but the collective action of members of the United Nations, prompted by one aim, namely, the maintenance of peace.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX—CHARTERED BANKS—TRANSFERS FROM INCOME TO CONTINGENCY RESERVES

Mr. Quelch:

1. What was the total of the transfers made to contingent reserve fund from the earnings of each of the chartered banks in excess of their reasonable requirements for each of the years 1945 to 1949?

2. What was the amount that each bank was called upon to pay in additional taxation as a result of these excess transfers in each of the years, 1945 to 1949?

Mr. Sinclair: In view of the secrecy provisions of the Income Tax Act, it is not considered proper to furnish the requested information in respect of individual banks. The aggregate of the amounts transferred by certain banks in 1945 from income to contingency reserves considered to be in excess of their reasonable requirements was $341,536.71, and the appropriate taxes thereon were subsequently paid. There were no excess transfers to reserves in the years 1946, 1947 and 1948. The inspection of all banks for the year 1949 has not yet been completed.

SALE OF WARTIME HOUSES—WINDSOR, ONT.

Mr. Noseworthy:

1. How many wartime houses taken over by Central Mortgage and Housing Corporation were taken over at the nominal value of $100 each?

2. What was the average amount spent to make those houses permanent before they were put up for sale?

3. How many of those have been sold, and for how much (a) in Canada; (b) in Windsor?

4. What price is being asked for those houses still unsold (a) in Canada; (b) in Windsor?

Mr. Prudham:

1. 14,486.

2. $785.24.

3. (a) As at May 31, 1950, 4,831 houses have been sold in Canada for an amount of $12,939,916.31. These figures include the en bloc sales to municipalities of 584 houses at an average price of $817.80 and the sales for removal from site of 59 houses at an average price of $807.62.

(b) As at May 31, 1950, 321 houses have been sold in Windsor for an amount of $935,700.

In addition, on that date 195 agreements covering the sales of houses referred to in (1) above, were in the process of documentation.

4. The average prices being asked for houses still unsold are:

	(a) in Canada	(b) in Windsor
4 room (small)	$2,603	$2,650
4 room (large)	$2,779	$2,950
5 room	$3,000	
6 room	$3,259	$3,450

PROSECUTIONS FOR OPERATING MOTOR VEHICLES WHILE INTOXICATED

Mr. Diefenbaker:

1. How many prosecutions, by provinces, of persons charged with operating motor vehicles while intoxicated, took place, and on what date, in each month since the 1st of June, 1949, and of these, how many convictions were registered?

2. Of those who were convicted, how many received imprisonment of (a) seven days; (b) seven to fourteen days; (c) thirty days?

3. In how many of such convictions were their drivers' licences suspended (a) temporarily; (b) for a period of three months or more?

Mr. McIlraith: There is no further information that can be given by way of answer to this question other than that given on Monday, June 26. I wonder whether the hon. member is prepared to let the question drop.

Mr. Speaker: Dropped.

PRODUCTS MANUFACTURED FROM SAWDUST

Mr. Bertrand:

1. What products can be manufactured from sawdust of mills?

2. What industries are manufacturing such products in Canada?

3. What are the market conditions for the said products?

Mr. McIlraith:

1. Wallboard; composition flooring; sugars; ethyl alcohol; yeast; molasses; charcoal, acetic acid and methanol; fuel briquettes (sawdust is also used, without any treatment, as a fuel); floor sweeping compound; wood flour —plastics, explosives, linoleum, wallpaper; soil conditioner; animal bedding; packaging material; insulating material; traction product for ice and snow. .

There are a number of other uses for sawdust in which only insignificant quantities are consumed. These are not listed above.

In uses for sawdust for such purposes as animal bedding, insulation material, soil conditioner, and packaging, the sawdust is procured from a large number of sources and normally by individual users, who collect direct from saw mills.

[Mr. Prudham.]

2. Only a very few of the products listed in the answer to question No. 1 are being produced in Canada from sawdust. The more important are:

Wallboard—produced from sawdust in the maritimes by one lumber mill.

Composition flooring—produced in Ontario by one plant.

Fuel briquettes—produced by several lumber mills in eastern Canada and British Columbia.

Floor sweeping compound—produced by a number of firms.

Wood flour—prepared by one Ontario mill.

3. Wallboard and composition flooring have at the present time a good market due to the high level of building activity.

Fuel briquettes are used extensively as heating and cooking fuel in the vicinity of manufacture. At areas distant from the source of supply, high transportation costs limit their use to special luxury purposes such as in open fireplaces.

Floor sweeping compound is in reasonably good demand.

Wood flour has a number of outlets. However, the specification requirements of the final products are so exacting as to make successful manufacture rather difficult and highly specialized.

H.M.C.S. "CATARAQUI"—COMMANDING OFFICER

Mr. Knowles:

1. Who is the commanding officer of H.M.C.S. *Cataraqui?*

2. What is his rank?

3. How long has he been connected with H.M.C.S. *Cataraqui?*

4. What pay and allowances has he drawn during each year he has been connected with H.M.C.S *Cataraqui?*

Mr. Blanchette:

1. Henry K. Hill.

2. Commander, RCN(R).

3. Since August 23, 1948.

4. Calendar year 1948, $1,243.10; calendar year 1949, $4,911.13; calendar year 1950, to May 31, $2,055.00.

POULTRY INDUSTRY—NEWCASTLE DISEASE

Mr. Jones:

1. What steps have been taken by the Department of Agriculture to curb the spread of Newcastle disease in British Columbia?

2. Is the department contemplating trying other methods of control, such as vaccine?

3. What number of birds have been slaughtered to date?

4. What area beyond the Fraser valley is affected?

Mr. McCubbin:

1. A program of eradication by immediate slaughter of infected and exposed birds;

destruction of contaminated eggs; cleansing and disinfection of infected premises including poultry houses and all furnishings and equipment. Poultrymen are instructed regarding precautions to be taken to prevent spread of disease.

2. The outbreak is now well under control. General use of vaccine not contemplated at present time.

3. 337,760 birds have been slaughtered to date.

4. One flock at Princeton, B. C., and twelve on Vancouver island.

HOG OFFAL PURCHASES BY BRITAIN—SWINE RESEARCH

Mr. Harkness:

1. What was the total amount of money paid to the bacon board during the war period by the British government for hog offal?

2. What has been done with this money?

3. Has any consideration been given to a suggestion that these funds be used to set up a foundation for swine research?

Mr. McCubbin:

1. $7,962,953.10.

2. The full amounts of the British contract prices were paid to the Canadian suppliers.

3. As indicated in the answer to No. 2, there are no funds.

OATS—IMPORTATION FROM THE ARGENTINE

Mr. Diefenbaker:

How many bushels of oats have been imported into Canada from the Argentine since the 1st of May, 1950?

Mr. McIlraith: Mr. Speaker, while the data for the answer to this question have not been tabulated by the bureau of statistics, I can tell the hon. member asking the question that no oats have been imported from the Argentine since May 1, 1950.

QUESTION PASSED AS ORDER FOR RETURN

LANDS LEASED FROM THE JAMES SMITH OR FORT A LA CORNE INDIAN RESERVES

Mr. Wright:

1. What is the legal description of lands leased from the James Smith or Fort a la Corne Indian reserves during 1950?

2. Was priority given to veterans in this sale?

3. What is the name or names of those who obtained land from these reserves in sales of leases since 1945?

4. What is the legal description of the land held by each of the above?

5. What were the dates on which these lands were posted for sale, and in what places, i.e., post offices, etc., were these postings made?

6. What is the amount of (a) the lowest bid made on each parcel; (b) the highest bid made on each parcel?

Mr. Wright: In asking for the returns I used the name "John Smith" reserve. I made a mistake; it is the James Smith reserve. I have been in communication with the department, and they have corrected this.

Mr. Harris (Grey-Bruce): In answering this question I have taken the opportunity of attaching the papers which have been requested in a motion for papers on the same subject which will come later in the proceedings.

Mr. Speaker: Answered.

MOTION FOR PAPERS

LANDS LEASED FROM THE JAMES SMITH OR FORT A LA CORNE INDIAN RESERVES

Mr. Wright:

For a copy of all correspondence with respect to the sale of leases on land released from the James Smith or Fort a la Corne Indian reserves, during 1950, also for a copy of the successful bids on all such lands leased since 1945.

Mr. Prudham: Return tabled.

PARLIAMENT HILL

REFERENCE TO STATUES OF SIR JOHN A. MACDONALD AND SIR WILFRID LAURIER

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, may I direct the attention of the Minister of Public Works (Mr. Fournier) to the fact that the historical error on the statue of Sir John A. Macdonald on these grounds has not yet been corrected in accordance with instructions that were given last year. The pince-nez of Sir John is still broken.

May I also bring the attention of the minister to the fact that the statue of Sir Wilfrid Laurier, also on these grounds, has become a sanctuary for birds—a sanctuary for disrespectful and sacrilegious birds. I hope he will see to it that all the dirt on these statues is cleaned off at once.

WHEAT

QUESTIONS AS TO FINAL PAYMENT ON FIVE-YEAR POOL

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask a question of the Minister of Trade and Commerce, arising out of a request from farm organizations. Since we are approaching the end of the five-year pool, is the minister in a position to indicate the approximate amount per bushel which will be paid to the farmers on the sale of their wheat during that period?

Right Hon. C. D. Howe (Minister of Trade and Commerce): While we are approaching the end of the period in which deliveries may be received for the five-year pool, we are not nearly as close to the period which will end the sale of wheat delivered to the pool. It is much too early yet to make any announcement as to the final payment.

INQUIRY AS TO DOMESTIC PRICE FOR COMING CROP YEAR

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Is he yet in a position to say what the price of wheat will be to the domestic markets for the coming crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): No, sir.

LABOUR CONDITIONS

UNITED MINE WORKERS UNION AND DOW CHEMICAL COMPANY, SARNIA

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to ask a question of the Minister of Trade and Commerce. Has he been informed of a labour dispute which has arisen between the united mine workers union and the Dow Chemical Company of Sarnia? If so, in view of the fact that it affects a government-owned plant, does the minister consider the situation of sufficient seriousness to warrant government intervention?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have not been advised of any labour dispute in the Sarnia area. I should be surprised if the employees of the Polymer Corporation were involved, having in mind the fact that an agreement was signed only a short time ago between the Polymer Corporation and its employees. In any event, any dispute of that kind is handled by the management of the Polymer Corporation, not by the government.

SUPPLY

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

DEPARTMENT OF THE SECRETARY OF STATE

412. Departmental administration, $173,295.

Mr. Fulton: I should like to say a word about the work of the custodian of enemy property. I do not find any separate item for that, and this would appear to be the only point at which the subject can be discussed.

[Mr. Diefenbaker.]

For at least two years I have been interested in this matter on behalf of a number of persons who suffered actual loss of their property through the action of enemy governments during the war. In some cases they suffered personal privations and hardships through their being interned, mainly in the hands of the Japanese in the Far Eastern theatre.

A large number of these people who have claims arising from damage sustained at the hands of enemy governments are in straitened financial circumstances as a result of the calamity that overtook them. I have in mind retired persons, for instance, living in the Far East, and I would refer particularly to one typical example, that of a lady who was interned with her husband, and whose husband died as a result of the treatment he received while interned. These retired and elderly people lost everything they possessed, and are not now in a position to start over again to restore their circumstances. They are suffering genuine financial hardship and distress; yet their claims have not been dealt with by the custodian of enemy property. So far as one can make out, no real progress has been made in setting up a system under which these claims could be dealt with, and in establishing a basis upon which they can be rejected, or accepted and eventually paid.

I appreciate the fact that there are difficulties involved. As yet there is no treaty of peace either with Germany or with Japan. The lack of progress results in great hardship to these people, which in the circumstances can only be described as heartless. I am not saying that the officials themselves or the government are doing this deliberately, or that they are heartless; but I am saying that the results flowing from a lack of policy and a lack of progress in dealing with these matters is heartless and imposes an unnecessary hardship upon the people concerned.

On May 15, as appears at pages 2518 and 2519 of *Hansard*, I received an answer to questions asked of the Secretary of State as to the total value of enemy assets held and the total amount of claims so far received. The answer I received was as follows:

Total assets in the hands of the custodian as at March 31, 1950, $51,124,833.25.

The third and fourth parts of the question were as follows:

3. How many claims have been received from Canadians for compensation for damage suffered in the European and Far Eastern theatres of war respectively?

4. What was the total amount of those claims?

The answers were as follows:

3. European theatres of war, 2,110 claims; Far Eastern theatres of war, 400 claims.
4. Approximately, $65,000,000.

The assets in the hands of the custodian total $51,124,833. They do not fall far short of covering the total amount of all the claims received. I suppose it is fair to assume that when a policy outlining the basis on which these claims will be accepted and paid is worked out and applied, there will be a reduction in the total amount of the claims, and as a result the claims to be paid will be more in line with the total value of the assets now in the hands of the custodian.

Under the circumstances it is nothing short of heartless not to set in motion now some machinery by which these people who are suffering hardship can be paid at least a portion of their claims. In the United States a commission has been set up to adjudicate on claims by persons interned during the war, and they are to be paid at the rate of $2 per day for each day of internment. Incidentally I might say that we have no similar provision in Canada. Not only have the United States made that provision, but they are making an interim payment to those whose claims have been recognized by the government.

The United States have not yet made final provision for the basis upon which claims will be paid, and as to the property out of which they will be paid, for the reason that there is not yet a treaty with Japan or Germany. But they have recognized that failure to pay imposes a hardship, and are making an interim payment. Those payments are secured and will eventually be returned to the treasury out of enemy assets held in the United States or on behalf of the United States.

It is imperative that we institute a similar process in this country. The principles could be worked out on which claims for war damage will be recognized and paid. There are 2,510 claims, and the total amount of the payments that would eventually be made could be determined. Having established that we would know how much would have to be paid out eventually, and, depending upon whether or not the total amount of the claims was covered by the $51 million of enemy assets in the hands of the custodian, we would know whether the claims as recognized could be paid in full or not.

It should be possible to make an interim payment of at least twenty-five per cent, which would be secured by the value of enemy assets in our hands. Unless we are to continue a heartless and indifferent attitude toward the suffering of these people, some program must be instituted. It may be years before a treaty of peace is signed with Germany and Japan, and no one should be condemned to suffer because such treaties have not been signed. We all know that it is the fault of the Russians; and no Canadian should suffer for that reason. We know we have the assets. I am sure all hon. members would appreciate it if the Secretary of State would indicate what progress is being made in connection with this matter.

Hon. F. G. Bradley (Secretary of State): This matter is not quite as simple as appears on the surface. In the first place, the policy of the government has not yet been laid down. Also certain of the assets in the hands of the custodian belong not to enemies in the full sense of the term but rather to technical enemies, and therefore cannot be applied directly to war claims. In regard to German assets, we are responsible to the inter-allied reparations agency for their disposition. I can assure the hon. member that the custodian's office is doing everything possible to facilitate the settlement of all cases.

Mr. Fulton: It is nearly five years since the end of hostilities, and the government should have been able to lay down a policy and work out a basis upon which claims could be recognized. The government should work out principles to determine which claims are valid and which are not. Once the government knew the total amount of valid claims, it should be able to work out a tentative agreement with the inter-allied reparations agency.

Mr. Bradley: Detailed recommendations have been made within the past few months; but the matter is exceedingly complicated. I confess that it is often beyond me to grasp the interlocking aspects of the various interests and exceptions that have been made, as well as their application of the positions of some of the countries with which we are still technically at war. We are getting on with the job just as quickly as we can, and as I say, detailed recommendations have been prepared by the custodian for the consideration of the government.

Mr. Graydon: I want to raise two questions on this administration item. I hope the first comes under the jurisdiction of the minister; if not, he will tell me so. My understanding is that the question of statutory holidays comes under this department. It may be, however, that it comes under the Prime Minister.

Mr. Bradley: For the civil service, or generally speaking?

Mr. Graydon: No—generally speaking.

Mr. Bradley: It comes under this department.

Mr. Graydon: That is what I thought. I want to raise a question which has been raised by a good many organizations across Canada, and which no doubt has been brought to the attention of the minister from time to time. It has to do with two of our national holidays, May 24, known as Victoria day, and July 1, known as Dominion day. These are the only two I desire to discuss at the moment.

There is a feeling in some quarters that these statutory holidays might properly be observed on the nearest Monday in each case. I suppose this has provoked about as much general discussion across Canada as almost anything else in recent years. I know there are arguments on both sides; no doubt for sentimental reasons many people will feel that there should be no change, but I wonder if the Secretary of State and the government might not give consideration to fixing the date for the celebration of Queen Victoria's birthday as the Monday nearest May 24, and similarly in the case of Dominion day. The minister might take this suggestion into consideration; I mention it only because so many organizations and citizens across Canada seem to favour the change, and I thought someone should raise the question at this time.

The other matter I want to bring up is of considerable importance; I spoke to the minister about it last session. I have no desire to go into it in any detail at this stage of the session, beyond saying that with business in the position it is, with our commerce expanding generally, the efficient, speedy issuance of patents becomes very important. The patent office is definitely linked with some of the most important branches of business in Canada. Our scientific achievements are well known and recognized throughout the world. We have some of the best scientists, some of the best inventors and many of the best brains in the world when it comes to science and its application to industry and business generally.

Whatever may have been the reasons advanced in the past for not giving aggressive leadership to bring the patent office up to date, it seems to me that now there should be a concerted drive under the leadership of the minister and the government to bring this about. It is a long way behind. I am not going to compare it with the patent offices of the United Kingdom or the United States, except to say that some years ago a concerted drive was made in the United Kingdom and the work of the patent office was brought up to something approaching a current level. I am not going to say there is not a backlog there, because I take it that in patent work a backlog must be expected. The United States was a good many years behind, but I understand that not so long ago they made a concerted effort and had substantial results in reducing the arrears of patent applications.

It has not been my privilege to act as a patent attorney, but I have spoken to those who have practised that profession. They have a great deal of sympathy for the commissioner and the other officials, whom they hold in high regard, but they say the whole staff have become discouraged because they are not able to keep up with the current work, let alone whittle down the backlog that has accumulated over the years. In these remarks I want to make it clear that I am not criticizing those officials, who are working hard and conscientiously, but I do criticize the government, the minister, and those who should have been trying to put the patent office on a proper footing. I do not think there is any branch of any government department that should call forth such vigorous condemnation of government policy as the patent office. There is no excuse for having let this matter simply dawdle along, to use a street expression. I had hoped that five years after the end of the war this office would have been modernized and brought up to date, but that has not been done. I am told that some patent applications which were filed back in the thirties have not yet received proper attention because of the conglomeration and congestion of work; that the backlog is so bad today that they are in arrears a minimum of five years, and in some cases much longer.

That is not the whole story. Because they are so far behind and because there are so many applications, it takes that much longer to search through all the unclassified applications which have not been attended to, when new applications are made. Fuel is added to the fire, insult is added to injury every day the patent office is permitted to continue as it is today. I do not think the public realize what this means to Canada and to business, because the patent office is unknown to most Canadians, who of course are not all inventors. Nevertheless the situation in the patent office is directly interfering with progress in the application of scientific discoveries to business and commerce in general. I do not think a government department should be in the position of having to admit that five years after the end of the war the patent office has not been modernized and brought up to date. I suppose the minister will say it is difficult to get patent examiners or other necessary staff. Somehow or other the other departments get these people.

In what sort of position does industry find itself when its scientists, in attempting to find

new formulae or inventions, realize that their competitors in other parts of the world are able to get a patent through and be in competition long before the five years which it takes an application to be dealt with by this office? I say five years, but that is only the minimum; there are many applications that take a great deal longer than that. The government ought to be aroused to the importance of this matter. I am not anxious to thresh old straw or cry over spilt milk, but, year in and year out, those of us on this side of the house have pleaded, urged, condemned —we have done everything we could to get this patent office into better shape. An end does come to the patience of the people of Canada and of the members of the house who want to see something constructive done. It is not enough to say that the patent office is moving into new quarters; it is not enough to say that they are handling more than they did. It is important for the government to announce a new policy with respect to the patent office, and to bring it up to date.

I hope the minister will be able to tell us that a new drive has been made, and that industry in Canada in the years to come will be able to look forward to the prompt treatment of applications for patents. The government has a definite responsibility to business and to applicants for patents; that responsibility is not being discharged. I suggest to the minister that before we meet in another session he should be able to announce the implementation of a new policy with respect to the patent office which will give industry a fair break.

Mr. Bradley: Mr. Chairman, first of all, with reference to the member's inquiry about Victoria day and Dominion day, I may say that that question has been under consideration by several of my predecessors and myself. There seems to be a good deal of difference of opinion about it, and I suggest to the hon. member that if he wants to try it out he should introduce a private bill.

As to the patent office, I know that this house—I do not say this by way of criticism of the hon. member's remarks, but it is a fact—has used the patent office as a football from time to time. Perhaps there was some reason for that. I do not believe hon. members generally quite understand the difficulties with which this office has to contend, and with which in fact other patent offices are faced. As a matter of actual fact ours is not the only office with a backlog. The United Kingdom has a substantial backlog, as has the United States. In the year 1948, which is the only year for which I have a comparison, we did dispose of seventy-five per cent of the applications, while our friends across the border managed to dispose only of thirty-three per cent.

There are delays in connection with the issuance of patents, I know. I believe the average period between the application for a patent and the issuance of it is somewhere in the neighbourhood of three years. Please do not lay all the responsibility for that at the door of the patent office. Frequently, very frequently indeed, those delays are caused not by the office but by the applicants themselves, who in many cases make their applications and prefer to wait until they have had an application granted in either the United States or the United Kingdom, as the case may be, and then perhaps amend their own application here to bring it in line with the patent which has been issued to them in the other country.

I know it is a simple matter to talk about speeding up the work of the patent office, but I should like to point out to the hon. member for Peel that if we proceed to speed up the work of the patent office too quickly, we shall only succeed in slowing the work. A great deal of the work, as my hon. friend is aware, in connection with this office is the work of the examiners. They are the key men to the whole process, and their work covers considerable time. They have to be highly trained men. Most of them, if not all, are engineers. In order to speed up our work we must of necessity bring in new men and train them. The more men we bring in to train, the more we slow up the work. We have to maintain a reasonable proportion between the men that we have and those that we bring in to train. This year we have already, I think, brought in eleven men. The staff of examiners now totals about forty. We cannot bring in any more men to train just now, because if we do we shall slow up the work.

Mr. Green: But eventually you speed it up.

Mr. Bradley: Eventually we speed it up, and then when we have got over the hump we find that we have too many men on our hands. It is not as simple as it appears, but I can assure the hon. member that we are doing our best to get things speeded up, having in mind that if we make too much haste we may in the long run make too little speed.

Item agreed to.

414. Trade marks branch, $124,395.

Mr. Higgins: Mr. Chairman, I have no criticism to make, but I should like the minister to know that trade marks and copyrights were always handled in Newfoundland,

as he is aware, before union. Newfoundland's work is now being handled in Ottawa, and I should like him to know from my experience that I have always found the officials of that department most courteous and co-operative. I want to pay that tribute to them. I am sure the department has not suffered any from having Mr. Harold Pippy of the Newfoundland office associated with it.

Item agreed to.

416. Canada Temperance Act, $1,500.

Mr. Bryce: Will the minister explain what this vote is for? There is nothing in the details to explain it.

Mr. Bradley: The Canada Temperance Act is in operation in two counties only in Canada at the moment, but the money is provided for in case the need for it arises.

Mr. Graydon: There are three counties only, I think, it which it is in operation.

Mr. Bradley: Three, is it?

Mr. Graydon: Yes.

Mr. Bryce: Was the money used last year?

Mr. Bradley: Last year we spent the amount of $1,500 in legal fees.

Mr. Bryce: And none has been used this year?

Mr. Bradley: No, none this year.

Mr. Bryce: What is the $1,500 for?

Mr. Bradley: In case there should be a request to bring the act into force; and that can be done at any time.

Item agreed to.

Office of the chief electoral officer—

47. Salaries and expenses of office, $45,515.

Mr. Knowles: What is the reason for the increase?

Mr. Bradley: That would probably be readjustment of salaries.

Mr. Knowles: From the details it looks as though there has been an increase in the number of employees.

Mr. Bradley: I think there are two additional.

Mr. Knowles: In a non-election year?

Mr. Bradley: I should like to point out to the hon. member that the fact that there is not an election does not mean that the electoral officer has nothing to do. Perhaps I should not talk politics here, but it strikes me that an electoral officer's duties are similar to those of a political party. The campaign begins when the polls close at seven o'clock in the evening on polling day.

[Mr. Higgins.]

Mr. Knowles: Six o'clock standard time.

Item agreed to.

Civil service commission—

63. Salaries and contingencies of the commission, including the chairman of the civil service commission and two civil service commissioners at $2,000 each, additional to chapter 53, statutes of 1947, $1,561,250.

Mr. Diefenbaker: Why is it that the numbers of appointments outside the civil service commission are apparently so much on the increase? Through the minister's office in answer to certain questions I asked, a return was brought down, sessional paper 102F, of June 14. It indicated the appointments by the civil service during the period from January 1, 1949, to February 1, 1950. The number of permanent appointments was 6,514, and the number of temporary appointments, 18,624. The number of appointments made to the civil service other than by the civil service commission during that period, as I total it, was 5,598. One of the questions was: "How many appointments were made after certificate granted by the said commission?" No answer was given to that question; it was lumped in with the answer given by the civil service commission as to the number of appointments made.

The number of appointments outside the civil service is altogether too large, and cannot be explained away merely by saying there are some temporary appointments. It seems to be that there is quite an extension in each year of the number of appointments made outside the commission, and I feel that that trend should end. Certainly this return indicates that the civil service commission is making too few of the appointments, and that the tendency to go outside is becoming too pronounced.

I would ask the minister particularly this question, because the answer was not given in the return: How many appointments were made in that period of time after certificate granted by the commission? As I understand it, the certificates are granted when it is felt that certain qualifications are required. No answer was given to a clear and straightforward question, and I should like to have the answer now.

Mr. Bradley: What period did the hon. member mention?

Mr. Diefenbaker: January 1, 1949, to February 1, 1950.

Mr. Bradley: During that period altogether there were some 25,000 appointments made, of which 6,514 were permanent and 18,624 were temporary.

Mr. Diefenbaker: That is, by the civil service commission?

Mr. Bradley: Yes. As I understand it, in connection with many of these appointments the practice is that the individuals go into the service on a temporary basis, and after a time they go into the permanent list. That is the case with some of the 6,514 that I have just mentioned. They were not all new appointments. Many of them were persons already in the service who had been transferred from the temporary to the permanent list.

Mr. Diefenbaker: I have all that information, Mr. Chairman. The information that I have not is how many appointments were made after certificate granted by the commission.

Mr. Bradley: 25,138.

Item agreed to.

Public printing and stationery—

282. Departmental administration, $60,000.

Mr. Knowles: I should like to ask the Secretary of State one or two questions with regard to working conditions at the printing bureau. I understand that a few weeks ago a notice was posted at the bureau respecting holidays to be taken by the employees this summer. I am told that the terms of the notice were at variance with what has been the practice for a number of years, and that this caused a bit of a stir over there, because to employees who had already made their holiday plans it seemed that they were going to have to alter them. I understand that the result was that a petition was circulated amongst the employees, addressed either to the king's printer or to the Secretary of State, asking that the notice be rescinded.

I am told that before the petition was presented the request of the petition was met and that the notice I am speaking of was changed. In other words, for a time all was happiness and content again, at least so far as that particular grievance was concerned. Now, I am told that another notice has been put up informing the employees that they must take their holidays in either one of two set periods, a certain two weeks in July or a certain two weeks in August.

As the Secretary of State or anyone can realize, employees do make plans in advance as to what they will do on their holidays. They engage certain resort accommodation or make plans with their families or their friends, and it is rather upsetting to have these plans changed. I am wondering whether the Secretary of State can inform me if this offensive order has been restored, and if so whether something could be done to make for better relations in connection with this matter.

Mr. Bradley: I do not altogether approve of the word which my hon. friend used in describing this notice. He said it was offensive. I do not think there was any intention on the part of anybody to issue an offensive notice. He has part of the story correctly. Whether the rest of it is correct I cannot say at the moment. I presume he receives reports from somebody, but I should like to point out to him that there are substantial difficulties in dealing with the employees of the printing bureau, not because they are a more belligerent type of employee than any other, but because we have there two, yes three, types of employees. In the first place there are the civil servants; then we have the prevailing rates men, and even they are subdivided into various groups, from highly skilled labour to the ordinary labourer. It is not always easy to adjust the notions of unionist hourly paid labour to monthly civil servants, and the king's printer has considerable difficulty in that respect.

We try as best we can to adjust things to meet the convenience of our various employees but it must be borne in mind that the department has at least some rights, and we must adjust holidays in such a way as not to interfere with the production of the bureau.

It is quite true that there was a notice issued, as my hon. friend points out, in connection with holidays, which in itself, if it had been agreed to, would I think have been excellent from the point of view of production in the department. Of course the bureau has been operating for a number of years. Conditions of work and holidays, and so forth, have been changing from time to time. Possibly, having regard to the practice of the past, this may have been a little bit too drastic a change to make at the time; but it must also be borne in mind that the employees themselves, while they have some rights, I presume, as to when they should take their holidays, and at least should be given consideration cannot be permitted to take their holidays whenever they please. Some regard must be had to efficiency, and the production of the department; because it is so easy in a department of that kind, where the work of one man is dependent on the work of a man in the line immediately ahead of him, to throw the whole system out of gear and reduce production tremendously. I think, however, we have been working the matter out fairly well during the past three or four weeks, and I am optimistic enough to think that the difficulty which my hon. friend has heard of will be overcome.

Mr. Knowles: I take it when the Secretary of State admits that part of my information is correct he is referring to the statement I

made about the original notice a couple of weeks ago and the fact that that notice was withdrawn. I take it the part he is not up to date on is whether or not I am correct in saying that another notice has been put out specifying that the holidays are to be taken in the two two-week periods that have been indicated. If he will make inquiries, I believe he will find my information is correct.

I will admit that regard has to be had to the efficiency of a plant such as the printing bureau, and that there has to be give and take and recognition of rights on both sides. But if the practice has been well established as to how holidays are to be taken, it does seem to me that before making a change in a practice of that kind it would have been only fair, indeed it would have been good labour-management relations, to have some discussion with the representatives of the employees.

I know the Secretary of State does not want to say that printers are difficult people to get along with, and being one myself I can assure them that they are not. But I can assure him also that printers, like other trade unionists, are jealous of their rights. They are not unmindful of the rights on the other side, but it does seem to me that there is an opportunity here for the Secretary of State to explore the possibility of finding some better way than now exists for maintaining the best of labour-management relations at the printing bureau. I urge him to look into the matter. He will recall that earlier in the session I asked whether or not this whole matter might be referred to the committee on printing. The minister gave a more or less favourable answer, provided that it could be arranged; but the session is passing and obviously it is not going to happen before prorogation. I would suggest that he try to obviate the necessity of my asking for that at the next session by trying to work out better labour-management relations during the period between now and the next session of parliament.

If, when the next session of parliament meets, help is needed on that score, I would suggest that consideration be given again to the idea of the parliamentary committee on printing meeting and having before it the king's printer on the one hand and representatives of the employees on the other.

While I am on my feet may I ask the Secretary of State another question? In view of the uncertainty about the five-day week and the five-and-a-half-day week for the summer, will the minister tell us what pay the employees at the bureau will get when they are off on their holidays during July or August? When they are off for their two weeks, will they be paid on a five-day or a five-and-a-half-day basis?

Mr. Bradley: They will be paid at exactly the same rate as those who work while the others are on holiday.

Mr. Knowles: That means that these printing bureau employees who get two weeks' holidays with pay will actually get two weeks' holidays with short pay rather than the pay they would normally get for two weeks in the ordinary working part of the year?

Mr. Bradley: They are given exactly the same pay as they would receive if, when they are on holidays, they had been actually working.

Item agreed to.

DEPARTMENT OF TRANSPORT

524. Board of transport commissioners for Canada —administration, maintenance and operation, $624,800.

The Chairman: The committee is now considering item 524 in the estimates. To this item an amendment was moved by the leader of the opposition (Mr. Drew):

That item No. 524 be reduced to the figure of one dollar.

Then we have a subamendment moved by the hon. member for Cape Breton South (Mr. Gillis):

That the amendment be amended by striking out the word "to" and substituting therefor the word "by."

The amendment of the leader of the opposition would then read:

That item No. 524 be reduced by one dollar.

I have examined the subamendment, and I must say that it seems to me it is out of order, because the reduction is not substantial. Therefore I rule the subamendment out of order. The question is on the amendment.

Mr. Low: Mr. Chairman, I believe when this matter was considered before I moved the adjournment of the debate. I should like now to try to sum up the case which I suggested that evening had not yet been dealt with.

Let me make it clear at the outset that the Social Credit party in the house realizes, as do all others, that the railways might need increased revenue to meet increased costs. We are not arguing that at all. If that is so, then the railways ought to have the increased revenue. But we say that no increase in freight rates should be allowed until such time as a mutually satisfactory railway freight rates policy is devised and laid down. That has not yet been done.

The board of transport commissioners is not the body to lay down policy. Evidently the government has been attempting to use it either for that purpose, or merely as a body to whom they might pass the buck when they get into difficulty—a sort of shock body.

The function of laying down policy is that of the government and parliament, and not that of the board of transport commissioners. I do not intend to belabour the board or to say unkind things about it. It might well be that the biggest reason why the iniquitous discrimination in the Canadian freight rate structure has been allowed to continue is that the board have never been given any clear and adequate directive by the government, by this department, by statute, or in any other way. Certainly they have not exercised any initiative of their own.

The act under which the freight rates structure is set out and under which it operates does not contain any clear statement of policy to guide the board. For that reason the board find it convenient to follow the practices of the past, as they have grown up, in a rather haphazard manner. I do not think any body can claim honestly that our freight rate structure was built up in a comprehensive way, and based upon the principle of justice and non-discrimination and in the full light of facts that obtained at the time the freight rates were established.

I think as a matter of fact that almost anyone who has made a study of the situation must admit at once that the Canadian freight rate structure has developed on a piece-meal basis, and that actually there have grown up in Canada five main rates territories which correspond to the five main geographical regions of the country. For example we have the Ontario region, which has its rates; the maritime territory, which has its rates; the Ontario-Superior region, the prairie region, and the Pacific region. Those are the five, and each has its freight rate structure.

The eastern rates are rankly discriminatory against the western regions. In his speech the other day the hon. member for Lethbridge pointed out some examples, and I shall add to them so as to bring the information up to date. We advocate the removal of regional discrimination as a first step in the effort to give justice to consumers in all parts of Canada, as well as to put the railways in such a position that their revenues will adequately cover their requirements.

It must not be forgotten that shippers, with the exception of farmers, are in a position to pass on their freight rate costs to the ultimate consumers. Everyone knows therefore that the consumer has to bear the full weight of any increase granted in freight rates. I might point out here incidentally that the farmer is the only one who pays his freight rates both going and coming. That is something that must be considered when this whole question of freight rates is studied. I am concerned about the position of the board in this matter. I am convinced that the board simply cannot remove these regional discriminations and introduce the principle of equalization without clear and precise direction laid down by the government in the railway statute, because to do so would be for the board to presume that it has the right to lay down policy. The minister and his colleagues must know that the board has not the right to lay down policy. I think that it was a recognition of that principle that led the original framers of the Railway Act to put in section 52, which placed upon the government not only the right but the responsibility to take action when direction is needed by the board.

There is no statutory direction to the effect that there must be no regional rate discrimination, and for that reason the board has doubtless felt that its main job in the matter of freight rates is to prevent unjust personal discrimination or undue preference within a region. That seems to be the principle which has guided them thus far and the tradition upon which they work whenever a reference is made to them. I must say that consistently and constantly the board have been actuated by tradition and not by good sense or judgment.

In 1925 the government of Canada appeared to have realized that what I have just stated was true, and in that year they passed order in council P.C. 886, which made explicit reference to the equalization of freight rates as a matter of government policy. I should like to quote from the directive given by the committee of the privy council to the board, as follows:

> The committee therefore advise that the board be directed to make a thorough investigation of the rate structure of railways and railway companies subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries. . . .

However, in the general freight rates investigation that ensued, the directive from the government to the board in connection with equalization was followed only to the extent of prescribing that branch line rates on grain in western Canada should be equal

to main line rates. The difference between standard class rates and tariff rates in western Canada was left unchanged, and the mountain differential was not removed. In my judgment the pity was that the government of the day made no changes whatever in the act which would give specific directions to the board.

I should like to refer to another order in council, P.C. 1487, passed on April 7, 1948, containing another directive to the board of transport commissioners on the same subject of the equalization of freight rates. I should like to quote briefly the directive part of that order in council, to show how similar it was to the one passed in 1925, and to show that no more could be done under that directive than could be done in 1925. It reads:

> The committee also observe that since decision was rendered upon the investigation referred to in the preceding paragraphs, namely by judgments of the said board of September, 1927, many changes have taken place in the economy of Canada and it is therefore advisable that the Board of Transport Commissioners for Canada be directed to make a thorough investigation of the rates structure of railways and railway companies which are under the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rates structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities so as to permit the freest possible interchange of commodities between the various provinces and territories of Canada and the extension of Canadian trade both foreign and domestic, having due regard to the needs of agriculture and other basic industries.
>
> The committee, accordingly, advise that the Board of Transport Commissioners for Canada be directed to undertake a general freight rates investigation along the lines indicated in the preceding paragraph subject to such special statutory provisions as affect freight rates—

Those last words render the directive absolutely useless. The same thing will happen as happened after a similar directive was passed in 1925. The board will find it impossible to remove regional or other discriminations. The failure of the board in 1925 and thereafter to make specific progress toward equalization as a result of the general review of freight rates that took place then emphasized the need for a change in the Railway Act if any particular change in policy is to be accomplished by which effective equalization steps can be taken.

With regard to statutory regulations, we in this corner of the house have advocated constantly two guiding principles that ought to be in the minds of the government and the board. The first is that the general form of the rate structure should be prescribed by statute and not be allowed to rest in the hands of a board that is guided almost solely by tradition. The responsibility of the board then would be, and ought to be, to maintain the form, laid down by the sovereign power in this country, the representatives of the people in this parliament.

The second guiding principle is that the regulations and rates should be governed in the main by standards of comparison which do not go beyond the rates themselves. When that sort of freight rate structure is built, then I maintain that the board will really have something to guide them. Until then they will not.

I would direct the attention of hon. members to the fact that the Maritime Freight Rates Act contains certain sections which illustrate the kind of change which may be required in order to establish the principle of equalization. I should like to quote briefly from section 3, subsection 2, of that act, as follows:

> The board of railway commissioners, hereinafter called the board, is authorized and directed to
>
> (a) approve such cancellations, and, subject to the provisions of the Railway Act, respecting tariffs of tolls for the carriage of freight, where not inconsistent with this act, to approve all tariffs of tolls so substituted;
>
> (b) maintain or cause to be maintained such substituted tariffs, subject to all provisions of the Railway Act respecting tariffs of tolls not inconsistent with this act, on the general rate level of approximately twenty per cent below the tolls or rates existing on the first day of July, one thousand nine hundred and twenty-seven, while the cost of railway operation in Canada remains approximately the same as at the said date, but the board may allow the increase or reduction of such tolls or tariffs from time to time to meet increases or reductions, as the case may be, in such cost of operations;
>
> (c) adjust or vary such substituted tolls or rates from time to time as new industrial or traffic conditions arise, but always in conformity with the intent of this act as expressed in sections seven and eight and other relative sections hereof.

As a result of the specific direction given the board in that act, it is no longer necessary for a shipper in the maritimes, in making a complaint against a difference in class or commodity rates as between the maritimes and central territories, say in Ontario or Quebec, to show personal discrimination or actual detriment in order to obtain an adjustment. All the board requires is to have someone raise the question, whether he be a shipper or not, and under the section I have just read the board is bound to consider the complaint and shippers in the maritimes are thus given almost automatic adjustment. That is the sort of thing that ought to be in our whole freight rates structure, and that is what we are asking the government to consider.

Before I pass on I should like to emphasize that the significant part of the section which I read lies in the fact that a directive is given to the board which finds no parallel anywhere in the Railway Act, which governs

western and central railway freight rates. According to the section I read, the board has been directed to maintain a certain relationship between the rates of the two regions, and to vary the rates in the maritime region always in conformity with the intent of the act, which was to make it possible for the maritime freight rates schedule to be twenty per cent lower.

Mr. McLure: Are you opposed to that?

Mr. Low: No, sir; I am not opposed. I say that is only one compensation, and perhaps a small one, for what confederation has done to the maritimes. I am not at all opposed, but I say that in principle it is the kind of directive that should be given in our general freight rate law; that is all.

Mr. McLure: That was given only to compensate the east for what the west had.

Mr. Low: I understand that, but of course it goes beyond that point now. It puts the maritimes at a very great advantage over the west at the moment.

Mr. McLure: I do not agree, but I will take the matter up with the hon. member later.

Mr. Low: That is fine; I respect my hon. friend's judgment. Let me make it clear again that I am not complaining about the twenty per cent compensation. I think it is coming to the maritimes. I am trying to emphasize that the government realizes that the board of transport commissioners requires a specific directive to be able to accomplish that result. So, I contend, they must give a directive to the board of transport commissioners in order to bring about the result which must be achieved if the west is to get away from these serious discriminations.

I do not believe I need say any more at the moment to convince members of the committee that responsibility for removing the discriminatory features of the present freight rate structure lies with the government itself, not with the board of transport commissioners. Whether or not we have confidence in the board, that body simply cannot do its job without a law giving it proper directions as a matter of settled policy. Let us leave it at that. The minister may want to deny this, but right now I charge the government with having used the board as a buffer when they did not want to stand up and accept their responsibility.

Western Canada is facing a shocking situation, to say the least, as a result of the freight rate increases of the past two years. The recent twenty per cent award by the board of transport commissioners is a paralysing blow to the prairie provinces, and especially to my own province of Alberta, which stands at the very peak of the whole structure. Saskatchewan is almost as badly off, and my words now are an appeal for fair play to all the prairie provinces, which are suffering together. People have been led to believe that the recent increases were horizontal, and it will come as a shock to many that this is not so. The railways have already decided that no portion of the last twenty per cent increase will be applied to the competitive rates that exist in the western provinces. The board's orders of March 1 and May 11 of this year make that procedure quite possible, and the railways have already come to a decision in the matter. The question, then, is whether this twenty per cent increase, from which the railways expect to gather in another $29 million—

Mr. Chevrier: I do not want to interrupt the argument of my hon. friend, but I am sure he does not want to make a statement that is wholly inaccurate.

Mr. Low: Of course not.

Mr. Chevrier: The railways have already made the statement in their briefs that upwards of forty per cent of the forty-five per cent increase that has been granted has been applied to competitive rates.

Mr. Low: I said that the railways had already decided that no part of the twenty per cent increase would be applied to the non-competitive or normal rates.

Mr. Chevrier: I must say that statement is wholly inaccurate and untrue.

Mr. Low: I accept the minister's statement for the time being, but that is the information coming to me directly from the railways themselves. There is no gainsaying this; that in the board's orders of March 1 and May 11, provision is made whereby the railways can do that. I do not believe that can be denied; and if the loophole is left in the board's orders do you suppose for one moment the railways will not take advantage of it? We will leave it at that and see what happens.

Under the orders of the board the railways have the right to gather in another $29 million of revenue, and in all probability that $29 million will be added to the non-competitive or normal rates; we will put it that way. This simply means that the whole twenty per cent increase will be paid by the people of Saskatchewan, Alberta and Manitoba, with the lion's share being paid by Alberta and Saskatchewan. All the canned goods, textiles, clothing, automobiles, farm machinery, tools, furniture and a great many other necessities that go into Alberta will be subject to a large and unwarranted freight increase, and the costs of these things to the

consumers out there will take another great jump as soon as the new rates go into effect, unless this government takes counter-action following the petition presented by the provinces last week against the twenty per cent award. The government can quite properly do this under section 52 of the Railway Act. Whether or not that has ever been done, this government has done a good many things never done before, so why in the name of common sense should they fall back on a foolish argument like that?

This increase of twenty per cent will further accentuate the difference between the cost of living in eastern and western Canada. It will be simply one more tariff barrier against trade between the central provinces and the Canadian west, which is a very serious matter. Our people out there are asking with increasing frequency of late just where are those benefits that people have been talking about as accruing from confederation. If these iniquities continue there will be a greater outcry against the terms of confederation. Our people do not want anything but a unified Canada, but certainly they want fair treatment and I bespeak it for them. Again, the twenty per cent increase will apply to everything shipped out of Alberta and Saskatchewan bound for either the west coast or the east coast, with the exception of our grain. Our coal, oil, beef, pork, pottery, hides, lumber and fish will be handicapped by one more laid-down cost disability, so that the producers in those provinces will not find it possible to compete against eastern or foreign products of the same kind. I say this is a shocking situation.

Moreover, thanks to the canals built and operated free of charge by the federal government, for which our western people helped pay; and thanks to the competition provided by the Panama canal route with respect to goods shipped by way of Vancouver and the west coast, the competitive railway rates which apply in Ontario and Quebec, and also on through shipments to the west coast, will bear no portion of the twenty per cent increase. To all intents and purposes the canals were provided for Ontario and Quebec free of charge, and their operation is also provided without charge to the central provinces. As a result Alberta and Saskatchewan get it in the neck, and that is not right.

I should like to cite briefly, Mr. Chairman, some examples to illustrate how unjustly discriminatory to the west the rates have become. Let us take this one first: When the recent twenty per cent increase becomes effective, the rate on canned goods, which form a substantial part of the wintertime diet of the western people, from eastern Canada will be as follows: From Toronto to Calgary and Edmonton, $2.77 per hundredweight; from Toronto to Vancouver, $1.40 per hundredweight; from Vancouver to Calgary and Edmonton, $1.25. Now, the rate to Calgary and Edmonton directly from Toronto and the rates from Vancouver to Calgary and Edmonton will be increased because they are normal or non-competitive rates. But the rate from eastern Canada to Vancouver, which is a competitive rate, will not be increased at all. As a result the rate to Calgary will be 197 per cent of the rate to Vancouver, although the distance to Vancouver is 500 miles greater. If that is not rank discrimination, you show me.

To make the matter look even more ridiculous, the rate from Toronto to Vancouver and back from Vancouver to Calgary or Edmonton, will be 12 cents per hundredweight less than the published rate direct from Toronto to Calgary. Talk about stupidity and being bound by tradition! Yet the the minister says there is no discrimination.

Mr. Chevrier: Mr. Chairman, the minister made no such statement.

Mr. Low: If the minister will look at the speech he made when this subject was under discussion three weeks ago, he will see that he did.

Mr. Chevrier: I object to the hon. member putting words in my mouth. I did say that there was discrimination, but there was a distinction between the discrimination as mentioned in the Railway Act and the illustrations given. The point at issue is whether there is unjust discrimination. The hon. member has been citing cases all along, none of which are proof of unjust discrimination within the meaning of the act; that is the whole point.

Mr. Low: That is exactly the whole point I am discussing today. I am appealing to the minister to see to it that the act is changed so that these diabolical things cannot continue.

Mr. Chevrier: That matter has been referred to the royal commission. When we have the report of the royal commission, perhaps we shall be able to act in accordance with the recommendations.

Mr. Low: Perhaps. I am just wondering how many times we have to have royal commissions before we can get justice.

Mr. Chevrier: That is what the house wanted—a royal commission.

Mr. Low: We wanted the act changed. We have been asking for it for years, and instead of that we get royal commissions, and reports which nobody reads—at least, no one that can do anything about it. The people in the

west are wondering if this whole thing is deliberately engineered in order that prairie points may not become distributing centres. In any event, that is the effect of it. Whether or not it is done deliberately, a good many people ask themselves just how it is engineered.

Here is another example concerning an item that is vital to farming in western Canada—tractors. These implements are necessary to enable the people to produce the quantities of wheat and grain that they do. Many of them come from Rock Island, Illinois. From Rock Island, Illinois, to Montreal, Quebec, which is a distance of 997 miles, in 1947 the rate was 99 cents a hundredweight. In 1950, if the last twenty per cent award is put into effect, there will be no increase on that particular haul. But from Rock Island to Neepawa, Manitoba, a distance of 1,001 miles, the rate in 1947 was $1.40 per hundredweight. When the twenty per cent increase is applied it will be $1.56½, as compared with the 99 cents for a distance only four miles less. The rate to Manitoba would then be 57 per cent more for approximately the same mileage. Who can justify that sort of discrimination? If it is not unjust, I should like the minister to explain it in a way that reasonable people can understand.

For the same haul of a tractor from Rock Island, Illinois, to Quebec city, a distance of 1,170 miles, the rate is $1.10 per hundredweight. That was the charge in 1947, and that will be the rate under the new schedule, because it is a competitive rate for which there will be no increase under the twenty per cent award. The rate to Swift Current, Saskatchewan, the same mileage, in 1947 was $1.72, which is discriminatory in itself. In 1950 it will be $1.93 per hundredweight, showing a rate discrimination of seventy-five per cent against the west for exactly the same haul in miles. For hauling one of those tractors from Rock Island, Illinois, to Saint John, New Brunswick, a distance of 1,472 miles, in 1947 the rate would have been $1.25 per hundredweight. No increase will be made under the twenty per cent award, so it will remain at $1.25. However, to Brooks, Alberta, a distance of 1,480 miles, eight miles further, in 1947 the rate was $1.96 per hundredweight. The new rate under the twenty per cent award will be $2.27½ per hundredweight, showing a ninety per cent rate discrimination against the Alberta point for a haul of only eight miles further. Yet there is no unjust discrimination, the minister says.

Let us take a shipment of binders as another illustration of this iniquitous discrimination. A binder that weighs 2,052 pounds, shipped from Hamilton, Ontario, to Saint John, New Brunswick, a distance of 1,115 miles, in 1947 took a rate of $11.39. The 1950 rate will be $16.62—that is when the twenty per cent increase is applied. For the same binder shipped to Lethbridge, Alberta, from Hamilton, a distance of 1,897 miles in 1947 took a rate of $32.82, but the 1950 rate will be $48.69. The distance from Hamilton to Lethbridge is 780 miles further than from Hamilton to Saint John, but the rate to the Alberta point is almost three times that to the New Brunswick point which indicates at least a fifty per cent discrimination against Alberta.

This is not the end. It seems, Mr. Chairman, that the railways are to be faced shortly with a further wage demand that may run into $19 million or $20 million. This will probably mean another application by the railways for freight rate increases. If the application is granted, then the non-competitive rates are likely to take another jump. The freight rate structure is breaking down before our very eyes, while the government stands idly by, passing the buck to the board of transport commissioners which is prostrated into incompetence through lack of specific direction from the government.

We in the Social Credit group hold the definite view that whenever the railways really need added revenues, and when they are unable or unwilling to apply an authorized rate increase equally to all parts of the rate structure and to all sections of Canada, then we say the time has arrived for the consolidated revenue fund to provide the amount of the increase. This would prevent the widening or aggravation of regional discrimination that otherwise is sure to result. Surely, to call upon Alberta or any other province to pay not only its share of the rate increase, the total of which is now forty-five per cent above 1947, but also the share which the competitive rate areas escape paying, is indefensible and unjust action which can and must be corrected by providing relief to the railroads out of the public treasury. By doing this the burden of rail costs can be equitably distributed over the whole of Canada.

Unless some such action is taken, and soon, confederation may be strained very close to the breaking point, and that would be a disaster that should never be allowed to occur. I am speaking advisedly when I say that. A good many people, and I am one of them, believe that the Canadian railways are pricing themselves out of business. I am one of those who think that the railways have become complacent and lazy; that they have not kept up with the times in equipment, service or operating costs; and that is why

they are facing such strong competition from the buses and trucks in many parts of Canada. It seems to me that they ought to be following some of the policies that are being followed by certain railways in the United States. Those railways have given us an object lesson; they have provided lighter trains, faster and better service, pick-up service, and delivery service. They have reduced their rates in many instances, and their business is booming.

Mr. Chevrier: They have increased rates by over sixty-five per cent.

Mr. Low: Yes, I know. I will just refer the minister to something I noticed the other day. This was an article in *Harper's* magazine in the United States, quoted by the Lethbridge *Herald* in its editorial of Monday, May 22. I am just going to read a short part of it, as follows:

> The United States rail story is told by Herbert Askwith, a New York public relations counsel who has travelled far and observed much. As a commuting New Yorker he has felt the impact of increased rail rates, so he decided to study the problem and see what he could find. And what he found is a rather scathing denunciation of what the American railways have been doing. In "Railroads on the Wrong Track", he fears that, because of ever higher rates, the railways may be heading into government ownership and socialism through loss of patronage to other forms of travel—the plane for passenger and the truck for freight. He knows the Americans wouldn't like that.
>
> But he thinks he has found the antidote in the action of some of the western U.S. roads, the Southern Pacific and the Santa Fe in particular. As against the poor showings of the eastern roads, these western systems both made good money in 1948 by running good passenger trains and charging less per mile, and by improving their freight handling program so as to do a more efficient job for their customers. Mr. Askwith points out that while the eastern roads are charging around 3·375 cents a passenger mile one way, the Santa Fe is charging 2·41 cents a mile for a one-way ticket and just over two cents for a round trip. Southern Pacific on some of their de luxe coach passenger trains in the south and west are as low as 1·59 cents single and 1·43 cents per mile on a round trip. In April of last year the S.P.'s famous "Daylights" serving the west coast carried 10 million passengers. Fares are low because they're not running with empty seats and because they're beating plane fares. This is in contrast with what Mr. Askwith says appears to be an "unstoppable determination on the part of the eastern roads to price themselves out of the market."

That is what is happening in the United States, and that is what is happening in Canada. Then the railroads come crying to the board asking them to stop this iniquitous bus competition and bus competition. I think it would be a tragedy if the board of transport commissioners or this government interfered until such time as the railroads have brought themselves up to date and have shown some pioneering spirit in these days.

I just want to close by making a short reference to the Crowsnest freight rate agreement. It is an agreement to hold in perpetuity. It is an agreement that must not be broken. It is an agreement which I know certain forces have been trying to have abrogated. But I will tell you that it is vital to the success of the farming operations in the west. It is vital to all our people. I will say this, Mr. Chairman. The railroads have never yet been able to show that they are not making money hauling grain under the freight rates of the Crowsnest agreement; and until such time as they do show that they are losing money, not even slight consideration should be given to any change in the policy. The minister will certainly get himself into trouble, and so will the government, if they ever permit the abrogation of the Crowsnest agreement.

Mr. Argue: I listened carefully to the speech delivered by the leader of the Social Credit party, and I wish to compliment him on his excellent presentation. I also wish to assure him that I support what he has said. As he so well pointed out, the chief fact before us today is that, with increasing railway freight rates, there is an increasing amount of discrimination. The minister himself, in a remark he has just made, underlines that fact when he says there has been a forty-five per cent increase in general rates and a forty per cent increase in competitive rates. When one considers along with that the fact that the competitive rates were initially lower, and that the percentage increase in competitive rates has been less than in other rates, then one realizes that the regular rates which are paid by us in the west and the competitive rates paid by the people in central Canada are getting farther and farther apart.

I believe it is the duty of the government to adopt a freight and rail policy which will be fair to all parts of Canada. In a country so wide and extensive it is essential that we have an adequate and efficient transportation service. We in the west have been hoping for many years to have our area industrialized to a greater extent, but with each increase in freight rates the possibility of our getting industries into that part of Canada is getting less and less.

The first increase in freight rates came about in the spring of 1948. Since that time, during almost all of that time, there has been an application before the board of transport commissioners. We know that when an application is before the board of transport commissioners we in parliament are denied the right to discuss railway freight rates.

Although this is the third increase that has taken place since last fall, we were not able until June 2 to have a general discussion on the government's freight policy and the policy adopted by the board of transport commissioners. I object to an opportunity not being given to parliament, at regular intervals, to discuss our transportation problems. It is important that we do not allow the fact that the matter is before the board of transport commissioners at any time to prevent parliament from discussing railway freight rates and transportation policies. Surely we on all sides of the house have a real responsibility in that regard.

On June 2 it was said by most speakers in that debate that the board of transport commissioners has been inadequately staffed, and that it has shown, by its various judgments and the mistakes which it has admitted, that it is incompetent. I believe that one of the commissioners, Mr. MacPherson, in the judgment of March 1, 1950, or in his statement following the judgment of the chief commissioner, frankly admitted that the board was not in a position to deal adequately with the question of discrimination. Let me quote what he said:

> I concur in the judgment of the assistant chief commissioner although I would prefer to see some relief given by way of maximum increases on basic materials where the markets are long distances from the source of supply. I realize, however, that the board cannot deal with the over-all revenue requirements and limit the increase in certain cases. To do so would entail a much more complete study of individual types of traffic than the board is able to do at the present time.

In other words, Mr. MacPherson said that something should be done to remove discrimination, but the board is not in a position to undertake such a job. The government should see to it that the board of transport commissioners is adequately staffed; that it is in a position to study and to establish freight rates in Canada that are equitable to all parts. While it may be the duty of the board of transport commissioners, so far as it is possible, to remove discrimination, it certainly is the duty, obligation and responsibility of the government to remove discriminatory freight rates against any section of western Canada to which they may apply.

The government of course was quite willing to appoint a royal commission; it was quite willing to shelve its responsibility for a year. The minister has said before that the provinces were not anxious to place their case before the board of transport commissioners in relation to the general inquiry; that they wanted a royal commission. Well, that is true; but the provinces want the removal of discrimination. They felt that from the experience they already had with the board of transport commissioners it was useless for them to go to the expense and the trouble of submitting reports for a general inquiry; they would rather take their chances on a brand new body. Of course that is why they asked for a royal commission. They asked for a royal commission in the main because they wanted the royal commission, but they asked for a royal commission also in the hope that somehow, some time, a royal commission might give some information on which the government would act to remove discrimination.

We shall soon learn whether or not the government set up the royal commission with the objective in view of removing discrimination, or whether it was set up only in order that the government might shelve its own responsibilities until the election was over, and after that to allow three further increases in freight rates, and perhaps in the future allow further increases and further discrimination to take place.

Before the royal commission has come some excellent information as to the impact of freight rates on various industries and various parts of Canada. At the sitting in Regina in June of last year, Mr. J. S. Turnbull, of the Saskatchewan dairy association, placed on record the impact of freight rates against the dairy industry in Saskatchewan. He pointed out that while the whole cost of operation in the manufacture and distribution of a pound of butter amounted to 9·92 cents, of that amount 4·97 cents was used for the payment of freight rates. In other words, the total cost in the manufacture and export of butter from the province of Saskatchewan has in it a 60 per cent cost for freight rates, which amounts to 5 cents a pound. That was before the last three increases in freight rates. We know that the price of butter has been going down because the government has set lower and lower floor prices under butter. According to the submission of Mr. Turnbull, the dairy industry in the province of Saskatchewan was in real peril back in June, 1949. Of course that peril has been increased because the price of butter itself has gone down, and there has been a further addition in cost owing to three increases in freight rates.

The Saskatchewan poultry producers informed the board that the total cost of freight going into the collection and distribution of a dozen eggs amounted to 6 cents. They pointed out that while in 1948 the eastern prices for eggs were 47½ cents a dozen in the spring and 54¼ cents a dozen in the fall,

because of freight rates and other reasons the producers in Saskatchewan received only 30 cents a dozen. Of course now the price of eggs has been reduced, the government's floor price has been reduced, and on top of the original 6 cents freight cost there have been three further freight rate increases. It is little wonder that in correspondence I get from poultry and egg producers in Saskatchewan they tell me that at the present time they are receiving only from 19 to 20 cents a dozen on the basis of average grades. That is understandable, when in 1948 they received only 30 cents a dozen.

The Canadian Co-operative Producers Limited, which is a meat processing plant located in the city of Swift Current, placed before the royal commission the effect of high and discriminatory freight rates against that industry. In his submission the secretary of that co-operative had this to say:

> The net effect of increased cost was a deficit on 1948 operations of $93,663, and an examination of figures presented herein shows that discriminatory freight rates and other transportation difficulties have been mainly responsible.

In other words the high and ever-increasing cost of transportation was crippling the Canadian Co-operative Producers Limited. According to the reports submitted to the royal commission, freight costs were crippling the poultry and dairy industry in Saskatchewan. I should like to see a policy adopted that would encourage the industrialization of the prairies and the maritimes, but the government through its transportation policy, or lack of policy, allow increasing freight rate increases, increasing discrimination, and by that means not only fail to encourage industrialization in these parts of Canada, but even prevent industry already located in those areas from operating at a profit. Instead of those areas becoming further industrialized, the industry which they now have is being crippled through increased freight rates.

The government have taken this attitude: The main thing in the question of freight rates is to see that the Canadian Pacific Railway Company makes a profit. That would be the yardstick. The C.P.R. must make enough to have a reasonable margin, have a reasonable surplus and pay a reasonable dividend; we shall set freight rates in such a way that the C.P.R. will show that profit position. The government have been very successful in that regard. The C.P.R.'s profits in 1949 were $2 million higher than they were in 1948. Instead of the government making C.P.R. profits the yardstick of its transportation policy, they should make equitable freight rates their yardstick. The government should say: We are going to have equitable freight rates, freight rates that will apply equally to all parts of Canada. Then we would find out whether the railways make money or lose money. If they lose money, the government should consider subsidies. But the government should not say that our transportation policy is based upon profits to the C.P.R. Rather it should say that it is based upon an equitable freight rate structure, and then, if necessary, take care of the operating expenses of the railways by some other means.

The government have done something in the way of subsidies on freight rates. Feed grains going to eastern Canada from western Canada have been subsidized for a number of years. The total subsidy to date has amounted to about $139 million. It has been suggested by members from western Canada from time to time that that subsidy was one only to the eastern producers. I believe that when the government pays a subsidy on a shipment of feed grain from Fort William east, and by that means removes the freight cost, the result is beneficial not only to eastern but also to western producers.

The hon. member for Peace River has mentioned the Crowsnest pass rates, and has said that those rates should not be changed. He pointed out that if they were changed there would be the greatest possible amount of resentment shown in western Canada. I agree with him wholeheartedly in that statement. I want to point out, however, that so far as the shipment of certain grains to eastern Canada is concerned, we have something which is just a little better than the Crowsnest pass rates. We have the Crowsnest pass rates on grain going to Fort William, and then we have free freight after that. In my opinion that is a good thing.

I am trying to say to the minister that the government is already paying a subsidy in respect of freight rates on a certain commodity. It has not entirely opposed subsidies on freight rates. I say it should now give consideration to a greater subsidy, if that is necessary—and I believe it is—in order that freight rates may be equalized from one end of Canada to the other.

Mr. Higgins: Mr. Chairman, I intend to speak to the amendment offered by the leader of the opposition, but in doing so I shall not use general arguments but rather shall confine my remarks to the recent decision of the board of transport commissioners in the matter of the application of Newfoundland in connection with freight

rates. I spoke on this matter some time ago, but imagine that what I said at that time is not fresh in the minds of hon. members.

The position is that prior to confederation it was clearly understood by the people of Newfoundland that the freight rates structure of that new province would be comparable to the freight rates structure of the maritime provinces, subject of course to the mileage differential.

As a member of the national convention of 1946, and as a member of the national convention which came to Ottawa to discuss with a committee of the cabinet the whole proposition related to confederation, I would say that at that time it was my definite and clear understanding that Newfoundland in the event of union was to receive the same treatment as the other maritime provinces.

Mr. Chevrier: Without wishing to interrupt the hon. member, may I point out to him that neither of these decisions in any way affects Newfoundland. I am sure he understands that. It was not intended, either in the twenty per cent case or the other case.

Mr. Higgins: I am not referring to that. My remarks are directed to the amendment offered by the leader of the opposition.

Mr. Chevrier: That amendment is to reduce the vote to one dollar. I hope the hon. member will make his remarks pertinent to the amendment.

Mr. Higgins: I am endeavouring to do so, and I think the minister will see what I am talking about. The report of that delegation was announced at the conclusion of the talks. What I have just said with respect to treatment was placed before the convention, and was spoken about on a number of occasions at those meetings. During both referenda in 1948 this same position was stressed by the parties advocating confederation. There was no question at that time that the government of Canada had any different views, because a representative of the government attended all sessions of the convention, and the High Commissioner for Canada, Hon. J. Scott Macdonald, was present in Newfoundland during both referenda campaigns. Certainly he heard the radio addresses made, as well as the formal addresses made at meetings.

When the second delegation came to Ottawa following the referenda to conclude the final terms of confederation, six members of that delegation returned with exactly the same opinion as I have outlined. So that the position is that the members of both delegations, having talked here in Ottawa on both occasions with committees of the cabinet, appeared to understand that we were to be put in that same position. That was notwithstanding the necessity for water carriage between North Sydney and Port aux Basques, with the consequent extra handling of freight at those points. It was also notwithstanding the fact that the Newfoundland railway is a narrow-gauge railway, and the freight cars are consequently very much smaller in size.

That was all understood. Section 32 (2) of the terms of union designate that the traffic between North Sydney and Port aux Basques is all-rail traffic. I submit therefore that that definitely guarantees a freight rate structure on through traffic going into Newfoundland comparable to like traffic in the maritime provinces, subject of course to the mileage differential.

In that connection may I quote from *Hansard* when the matter was discussed in the house in 1949. The minister, referring to section 13 of the Maritime Freight Rates Act, said, as reported at page 607:

> I should repeat everything I said on that occasion, except to say that the freight rates structure of the maritime provinces will be made applicable to the province of Newfoundland.

Referring to this matter of water traffic, the Prime Minister said, as reported at page 608 of *Hansard*:

> That is something also which was carefully discussed with the representatives of Newfoundland, and they were told that all these matters would have to be taken into consideration by the transport commissioners. What is provided is that this connection to Port aux Basques is a part of the railway rate, but the maritime rate will apply within Newfoundland. It does not apply now to the traffic carried by water from Halifax to any point in Newfoundland; but in determining what will be proper rates to charge for rail movement the board will have to take all appropriate factors into consideration. The delegates from Newfoundland finally were satisfied with this position; that we do not want to have things happen which will interfere with the economy of Newfoundland.

At page 609, the Prime Minister said:

> It is part of the agreement that water transportation between Sydney and Port aux Basques will be on the same basis as if it were a rail operation; that is the agreement.

And again:

> Through traffic moving by rail and having to take this jump across the water will be treated on the same basis as if that mileage were part of the railway haul.

Then at page 619, the Minister of Transport:

> The provision in the bill that through traffic between Canada and Newfoundland shall be treated as all-rail traffic when passing over the water route between North Sydney and Port aux Basques on the steamship now owned by the Newfoundland railway is nothing unusual. It is the same practice as was followed with respect to the vessel service between the mainland and Prince Edward Island many years ago, when through rates were made via that

service; the only difference is that the steamer service between the mainland and Prince Edward Island has been changed to a car ferry.

Incidentally I want to thank the minister for making provision for a new ferry in the estimates.

It is not possible under present conditions to establish a car ferry between North Sydney and Port aux Basques; therefore the steamship service must be considered as a substitute for a car ferry service.

And again:

The same situation exists with respect to the water service now carried on via the car ferry between Mulgrave and Point Tupper—that is, the rates between the rest of Canada and Cape Breton are on a through rail basis.

And again, in the middle of the page:

Such rates will have to conform to the general pattern of rail rates in the other provinces of Canada; otherwise they would be discriminatory. Discriminatory rates, either higher or lower than in the same general territory, cannot be maintained under the Railway Act. Therefore, as stated, the rates will follow the general pattern of the rates in other provinces.

And then on page 621, the Prime Minister:

No increase is being provided in rates from any point within the preferred area to any point in Newfoundland. At the present time there are no through rail rates from Halifax to Newfoundland. There is a rail rate to Halifax, and then water carriage beyond that. Under this arrangement a through rate will be possible from points within the preferred area through North Sydney and Port aux Basques, treated as an all-rail rate.

In connection with discriminatory rates, the minister is reported on page 3166 of *Hansard* of June 2, 1950, as having said:

It is well known by all who have given any attention to the matter that the board of transport commissioners have no power of themselves to deal with discrimination affecting geographic, economic and industrial conditions. That is the very essence of the case for the provinces. Their whole brief was based on this argument. It has been held time and again that a rate-regulating commission has no right whatever to attempt to equalize geographic, climatic or economic conditions. They are simply and wholly concerned with questions having to do with the reasonableness of rates or tolls.

Mr. Diefenbaker: Who has the power?

Mr. Chevrier: The only conclusion I can come to is that the language used by the leader of the opposition and the hon. member for Lake Centre is—

Mr. Diefenbaker: Who has the power?

Mr. Chevrier: Just a moment. I did not interrupt the hon. member when he made his speech, when he waxed so indignant. Let him allow me to carry on, because there are a number of things that have not been said that need to be said.

Mr. Diefenbaker: It is a question that you cannot answer.

When following that decision by the board of transport commissioners the premier of Newfoundland announced that he was going to appeal to the cabinet, apparently he made the approach and then was advised that the matter should be referred back to the board of transport commissioners. That has not been done as yet. In the event of there again being an unfavourable decision by the board of transport commissioners I should like to ask the minister if there is any right of appeal to any body, or what is to happen?

I should like to read from the record of the national convention on January 5 and January 19, 1948, where an answer was given, I presume by the cabinet or by some official, with regard to the terms of union, as follows:

Although it would be inappropriate to guarantee in the terms of union that there would be no increase in any rates in any of the above services after union, it would seem that in general Newfoundland users of these services after union would benefit from the extension of Canadian rate schedules and the Canadian system of protecting consumers from unfair and unreasonable rates.

In the application submitted to the board of transport commissioners the special case of the Buchans Mining Company Limited was set out. This company operates in the middle of the island and ships ore to a point to be forwarded by boat. This part of the application reads:

The annual production of concentrates of the company, amounting to approximately 130,000 long tons, is shipped by rail from Buchans via Bishops Falls to the port of Botwood on the northern coast of Newfoundland.

The company is presently paying a rate varying from $2.35 to $2.75 per ton on the movement of the concentrates from Buchans to Bishops Falls, and the schedule of rates applicable is the same as applied prior to confederation of Newfoundland with Canada.

This movement is a preferred movement under the Maritime Freight Rates Act, and is entitled to a twenty per cent reduction on the basic rate under the statutory requirement of that act. The application of the act and the statutory twenty per cent reduction would result in a substantial decrease in the rate presently fixed on these concentrates. It appears that this movement has not been accorded the benefit of the act or any reduction whatsoever.

Apart from the failure to apply the Maritime Freight Rates Act in this instance, it would seem that the basic rates fixed on this concentrate movement are excessive and discriminatory. Despite the fact that, in connection with the movement of the Buchans concentrates, the Buchans Mining Company Limited furnishes all the ore cars for the movement and maintains forty-seven per cent of the trackage used in the movement and assembles all the ore trains, the freight rates chargeable by the Canadian National Railways are in excess of rates for comparable movements in other parts of Canada where all equipment is provided and track maintenance and services assumed by a railway.

By way of comparison and illustration, it is pointed out that the rate on lead concentrates released to $50 a ton from Montauban to Montreal (for export)—a distance of 126 miles—is $2.39 per ton, reflecting a ton mile earning of 1·8 cent which, applied to the 79 miles movement from Buchans to Bishops Falls, produces a rate of $1.42 per ton. This latter would give a fair basic rate for the Buchans movement if the provision of all equipment and maintenance of all trackage were obligations of the railway. As this is not the case, a further deduction and allowance should be made on this rate of $1.42 per ton in order to arrive at a fair basic for

the Buchans concentrates movement. When that rate is established, the twenty per cent deduction under the Maritime Freight Rates Act would then have to be applied.

As I say, the rate charged another producer for a haul of 126 miles is $2.39 per ton. For the 79 miles from Buchans there is a rate of $2.75. That fact also has been placed before the board of transport commissioners.

As to how the other parts of the maritimes feel about that and about the contract, I should like to refer briefly to an editorial which appeared in the Halifax *Chronicle-Herald* of March 8, 1950, under the heading "The Terms of the Contract." It had this to say:

Newfoundland, as a result of union, is a maritime province, the fourth maritime province. And the terms of union with Newfoundland provide that "for the purpose of railway rate regulation, the island of Newfoundland will be included in the maritime region of Canada" and "through traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic." And generally, "all legislation of the parliament of Canada providing for special rates on traffic moving within, into, or out of, the maritime region will, as far as appropriate, be made applicable to the island of Newfoundland."

That is clear enough and specific enough. Certainly, there can be no possibility of doubt about the spirit of the terms or the intentions of government and parliament in approving them. And while the qualifying phrase is there—"as far as appropriate"—the people of the rest of Canada want to see Newfoundland a maritime province in all that the name implies.

As I say, in spite of all these facts having been brought before the board of transport commissioners by counsel for the province of Newfoundland, that board upheld the discriminatory Newfoundland freight rate structure. I am now quoting from page 2 of the judgment of that board, dated February 14, 1950:

The common law contains no rule against discrimination by common carriers, and the only kind of discrimination prohibited by the Railway Act is discrimination that is undue, unfair or unjust.

Certainly this discrimination is unfair and unjust.

Railway companies have, therefore, always had the right to discriminate in rates because of dissimilarity in circumstances and conditions. Do the statutes referred to in the preceding paragraph—

Those are the statutes I have quoted.

—lay down a different rule in Newfoundland? In our opinion the answer is no.

Then they go on to quote the terms of union, and here is what they say about that:

We think that the obvious purpose of this subsection is—

That is the one referring to through traffic.

—first, to make Newfoundland part of the maritime region in order that Newfoundland may have the benefit of the Maritime Freight Rates Act in respect to all freight movements between points in Newfoundland and points in the rest of the maritime region; and

Secondly, to provide that carriage by water between North Sydney and Port aux Basques is to be regarded as carriage by rail for rate-making purposes.

This subsection may also mean that the rate structure in Newfoundland is to be in general conformity with the rate structure in the other maritime provinces.

They do not answer that specific question; they say it may be, but they make no ruling on the matter. That is one reason why I certainly approve the motion of the leader of the opposition. As hon. members will understand, local businesses and industries in Newfoundland have been greatly affected by confederation. One of the things we were led to believe would happen was that the cost of living would be greatly reduced. That has not come about. If, as my leader suggests, the freight rate structure should be such as to be economically sound in every part of Canada, bearing in mind the economy of each province, it is the contention of Newfoundland that a freight rate structure comparable with that of the maritimes should be conceded.

Some hon. Members: Carried.

Mr. Higgins: I shall not be long. In speaking on this matter previously I made some statements that were considered rather strong. I do not intend to repeat them, but certainly I intend to stand by what I said at that time; I have not changed my opinion. I would say that if the fault is with the board of transport commissioners, then they are not competent to perform their duties, with all due respect to the remarks of the hon. member for Bonaventure. If the fault is elsewhere than with the board of transport commissioners, then I submit that Newfoundland is entitled to a full and complete explanation. If the fault is with the government, then I say Newfoundland has been the victim of the crime of false pretences in entering into union, and that false pretence has been either express or implied.

Mr. Hansell: Mr. Chairman, I recognize that we are now in the dying moments of this session. I have also been told that the minister is anxious to get away; therefore I shall attempt to cut short my remarks this afternoon. I do feel impelled to say a word or two with respect to the Crowsnest pass agreement, however, by reason of the fact that we have received so many resolutions and letters opposing any change in the statute. These resolutions and letters have come from many organizations, as well as individual farmers, and I do not feel I should let the session close without saying a word or two on behalf of my constituency, which is

approximately sixty-five per cent agricultural. Grain rates by statute has been the national policy of this country for over fifty years. No matter what party has been in power, whether Liberal or Conservative, all administrations have accepted the fact that grain rates by statute is a matter of national policy. Now a move is being made to lift the Crowsnest pass freight rates out of the statutes of Canada and place the responsibility for those rates in the hands of the board of transport commissioners. I rise to oppose that move as vigorously as I can. In doing so I am not registering any particular criticism of the board. The point I want to make is that the board of transport commissioners, in fact any board or commission, is set up to administer government policy, not to make it. Since the Crowsnest freight rates by statute has been the national policy of this country for over half a century, I do not believe the question of changing that policy should be placed in the hands of any commission, no matter what it may be.

My second point is that agricultural economic principles are never static. That is the reason the Crowsnest pass agreement must remain as the law of Canada. That is the reason the Crowsnest pass freight rates must remain statutory. The economic principles of agriculture move up and down continuously. At the moment prices are in all probability on the decline. Our overseas export trade for wheat and other grains is also probably on the decline. If these declines do take place, the result will be that farm income will be reduced. The extreme variability of economic principles as applied to agriculture makes it all the more necessary to retain the Crowsnest pass freight rates on the statute book. Another thing I should like to say—it has been said before but it will bear repeating—is that the farmers of this country sell on an uncontrolled market but they have to buy on a controlled market.

Mr. Chairman, the depression of the thirties still remains vividly in the minds of the farmers of this country. I remember in 1935, when some of us were first elected to this house, how the farmers came to us, and some of them were crying because they were about to lose their farms. The mortgage companies and individuals who held mortgages on their land were threatening foreclosure. Many times we were asked to draft or write letters for farmers to mortgage companies in order to help them retain their land. There was no hope in the world at that time of the agricultural industry of Canada remaining solvent. In Alberta the Aberhart administration took the bull by the horns and put a moratorium on debt. If it had not been for that action, many of the farmers in that part of the country would have lost their homes and farms. Then the debt adjustment boards were set up in an attempt to bring creditor and debtor together. These boards helped to some extent in solving the problem; at least the farmers were able to save their homes.

Two or three years later the war broke out, and that changed the economic picture for the farmers of western Canada. Prices began to rise, and the farmers began to see their salvation. What a tragedy it is to think that we should have to have a war in order to save the homes of the farm people of Canada! That was the situation, Mr. Chairman. As I say the economic principles of agriculture are never static, but fluctuate one way or another, and that is the main reason why the Crowsnest pass agreement must remain on the statute book.

Another point I should like to make is that the development of this entire nation is largely due to the expansion of the prairie provinces in agriculture. I realize the argument will be advanced that the railroads stretched their ribbons of steel from coast to coast across this country, and where the railroads went, industry and the farmers followed. I do not know whether that is the order in which the events should be placed; perhaps where the farmers and pioneers went, the railroads followed. I am rather inclined to think that is the more accurate picture. Let us remember that in the early days of railroad construction in this country the people of Canada, through the government administration, poured millions of dollars into those railroads in the form of gifts. I am not objecting to that; it is now history. But we are continuing to pour money into the railroads of this country.

Not only were millions of dollars placed at the disposal of the railroads in the early days, but I would remind you, Mr. Chairman, that no less than 32 million acres of land were given to the railroads to compensate for cost of construction. Thirty-two million acres is a lot of land. I realize that much of the land is raw land, but they have had the opportunity of selling that land, as they do today, and the price received in the aggregate would amount to astronomical figures. Every little town we pass on the railway means that the railway has created that townsite and sold the land. I have no criticism to make. It is a good thing they did; it is exactly what they should have done. My point is that over the years the railways have not fared badly at all. May I say, too, that on the 32 million acres that were given to the railroads of this country the mineral rights were reserved for them.

The next point I wish to make is that a previous prime minister of this country committed himself and his government to retaining on the statute book the Crowsnest pass agreement. On May 4, 1922, at page 1436 of *Hansard*, the former prime minister, Mr. Mackenzie King, stated:

> Unless it can be shown that in the public interest there are good and sufficient reasons why what is termed the Crowsnest pass agreement of 1897 should not again become operative in July next, the existing statute will not be interfered with.

Those are the remarks of the then prime minister, and we can take them as a pronouncement of government policy at that time. Mr. Chairman, I have not been able to discover any evidence submitted before the commission from which it could be deduced that it would be in the public interest that the Crowsnest pass agreement, which so vitally concerns a large and important part of Canada, namely, the agricultural industry, should be altered or disturbed in any way. I say that this Crowsnest pass freight rate must remain on the statute book. I cannot emphasize too strongly the fact that the farmers and the entire agricultural industry of this country are banking on this government, and on any government that might follow, to retain as government policy the statutory fact of the Crowsnest pass agreement.

Before I sit down, there is one further comment I wish to make. I wish to support the hon. member for Bow River in the speech he made the other day, and also the leader of this group, the hon. member for Peace River, in the speech he made today. I believe that the speech made by the leader of this group today was one of the most dynamic that has been made on this issue. I refer particularly to the points made by both hon. gentlemen with respect to the trucking industry of Canada; for a move has been made to curtail the interests of the trucking industry, which move would be favourable to the railways.

I know that we should look at these things in a solid fashion. We must not go off half-cocked and let our emotions run away with our reason. I recognize that fact. I also recognize the fact that when millions upon millions of dollars have been invested in an industry, you just cannot close your eyes to the fact that such an industry must be protected. I am all for it. But I do say that there must be an attitude of fairness in relation to other industries that are imposed upon us by the development of the country and the advancement of civilization—and I think I can use the term "civilization" because what is true today in industry affecting the lives of our people may not be true ten, fifteen or twenty years from now.

There was a day when the railways refused to look upon the trucking industry as a menace to their interests. Now they are beginning to discover that the trucking industry can haul freight and give a service which is perhaps cheaper and more favourable to the public than the service the railroads can give. That is a thing that is coming and we cannot help it. We have to recognize it.

We have these problems coming up every few years. The discovery of vast resources of oil in Canada means that the coal mining industry of Canada is now being pushed into the background and will perhaps eventually deteriorate to a place where it is almost non-existent. I do not know what will happen, but the fact that oil has been discovered causes the coal mining industry to worry considerably as to its future. What are we going to do about it? I use that only as an illustration. You cannot stop progress. It is bound to come. The day may come when the utilization of air traffic will be such that it will become a threat even to the trucking industry. We cannot help that. While on the one hand, we have to try to protect large investments in industry, we must be fair to any newly-developed industry that is going to serve the country and serve the people, and, speaking of trucking, one that is able to transport freight in many instances much more cheaply than the railroads and to give a service which to many people would be much better—not always, but in many cases —than the railroads can give.

I have a great many notes before me on the trucking industry, Mr. Chairman, but I know that the minister is anxious to get away, and I will not detain him or the committee. I will forgo any discussion of those notes now, and perhaps if I have another occasion at some future time to talk about this matter, I will pursue them further.

May I just say one word in closing? I cannot emphasize too strongly the fact that the minister's portfolio is that of Minister of Transport, not minister of railways or airways or shipping.

Mr. Green: Or Trans-Canada.

Mr. Hansell: Or Trans-Canada. He is Minister of Transport, and he is just as much responsible for fairness to the trucking industry as to any other branch of Canada's transportation industry.

Mr. White (Middlesex East): Mr. Chairman, I hold in my hand a finding of the board of transportation commissioners dated August

12, 1949 and initialled "T.D. 14157·4". It is signed by P. F. Baillargeon, secretary. This finding deals with an application of the milling and feed industries in regard to the freight rates on soybeans from southwestern Ontario to Toronto; and the application for a decrease was refused. This statement by the board points out why they have refused the decrease in freight rates. I want to review the paragraphs that are pertinent to the request dealing with the decrease in rates. I will provide the minister with a copy of this finding so that he will know what I am referring to.

Paragraph 4 reads as follows:

The premises upon which this application is made appear to be that a reduction in the present rates on soybeans would promote an increase in acreage; that large imports are now necessary from the United States; that Canada's edible oil requirements exceed domestic supply; and that diversion to truck transportation is likely to occur.

That is the first time I ever heard that the freight rate was to be based on the question whether it would increase or decrease the production of farm products. I understood that freight rates are based on the cost of haulage, on the competitive rates of other transportation systems, and the like, and not on whether they would increase or decrease the acreage of a certain product.

Paragraph 6 reads in part as follows:

The board's powers are limited to considerations of the reasonableness per se of the rates charged and the removal of unjust discrimination. Consequently, features of your complaint, other than the latter, will not be dealt with herein.

Unjust discrimination? Where are we going to draw the line? I never heard of such a thing as just discrimination.

Mr. Chevrier: There is discrimination under the Railway Act. This is what is meant.

Mr. White (Middlesex East): I see. Take a carload of corn or wheat from the same station to Toronto; the rate is three cents lower than it is on soybeans loaded in the same kind of car by the same machinery. They would like to know why the rate on soybeans should be three cents higher. The board say that is not unjust discrimination. I cannot see the reason for that.

In paragraph 9 there is a statement of the dominion bureau of statistics showing that the increase in the acreage of soybeans has been considerable. Since 1942 the increase has been from 44,000 acres to 94,000 acres in 1948. By that they are intimating that the rate is not too high. They say that because there has been a great increase in acreage the rate is not too high. The actual fact was that the price of soybeans had improved to such an extent that it was more advantageous to grow soybeans than some other cash crops.

[Mr. White (Middlesex East).]

They also tried to prove that the freight is not discriminatory today because there has been an increase in acreage.

Let me read paragraph 11, which deals with it:

It is obvious from this tabulation that the acreage and total production has substantially increased. It would not appear that the railway freight rates complained of had a tendency to curtail production, nor is it clear that a reduction in such rates would tend to further increase production. The board is, therefore, unable to find any indication that unreasonable rates per se have been or are being applied.

There is nothing reasonable in a difference of three cents between corn, wheat and soybeans. Production should not be the basis of a freight rate.

Paragraph 13 reads in part:

Difference in rates is discrimination; but the prohibitions of the Railway Act in regard to discrimination are prohibitions of unjust discrimination or undue preference, and the question is whether the discrimination amounts to an unjust discrimination or undue preference.

My only comment on that is that there certainly is unjust discrimination.

In paragraph 14 they deal with the findings regarding the Ontario Paper Company, and point out the ruling there. That has absolutely no bearing whatever on freight rates so far as farm products are concerned. Paragraph 15 reads:

Evidence is required as to how rates complained of react to the detriment of the applicant.

We grew two million bushels of soybeans in 1948, and considerably more last year. If you multiply that by three cents a bushel you will get $60,000. It cost the producers of southwestern Ontario just that much money, and that is how it is reacting to the detriment of the applicant.

In paragraph 16 they deal with the water rate, and say that it is not discriminatory. Actually the water rate from Chicago is to the advantage of the Toronto elevators which bring beans from Chicago rather than from Chatham by rail. Therefore the statement in paragraph 16 is not borne out by the facts.

Paragraph 18 reads:

From information in the board's possession it would appear that the product chiefly derived from soybeans is the oil extracted therefrom. The board is informed that oil constitutes approximately sixteen per cent of the production plus imports of beans, and that in consequence of the extraction of oil the residual meal is about 73 per cent. The board's information is that soybean flour is about three per cent of the said production plus imports of beans.

Actually, these figures do not add up. They say that oil constitutes sixteen per cent. I have been informed that it is not quite that much, but we will say it is sixteen per cent. What is all the rest? It is residue

of one kind and another. It constitutes the bulk of the bean, not the oil. Soybean meal goes into feed for livestock. It is shipped all across Canada. I want the committee to understand that the producer is paying three cents more freight on the raw product to the mill, but when the mill sends it out again to the farming areas as feed for livestock it goes out at the same rate as the by-products of wheat and corn, so that the farmer alone is the boy who is taking the loss on that particular article.

Paragraph 19 reads:

The railway tariffs applicable to Ontario grown grain and grain products show that grain products rates are accorded to shipments of soybean flour, meal and cake; therefore, these products are not placed at any rate disadvantage compared with other grain products.

In other words the millers again are the ones who are winning, and not the farmers. We heard something about the milling combine. It would appear that they have a finger in the pie here.

Paragraph 20 continues:

On the other hand soybeans are accorded the same rates as contemporaneously apply on flaxseed.

Any hon. member who knows anything about flaxseed knows that there is no comparison in the risk of handling soybeans as compared with flaxseed. Flaxseed will go through almost any small hole. It is a difficult product to ship, but not so with soybeans. I continue:

It is noted that oil produced from soybeans is also utilized in the manufacture of paints.

What bearing that has on the setting of a freight rate for the bean is more than I can understand.

Paragraph 24 reads:

While the board views the ex-lake rates as being, in a large measure, controlled by competition, it also considers that such rates form only a portion of the total transportation movement and that "notwithstanding the spread between the ex-lake export rates from the bay ports and from Ontario points, the transportation cost to the eastern Canadian seaboard in respect of the export of western Canadian grain and the products thereof is greatly in excess of the transportation cost from Ontario points."

This actually has no bearing whatever on the freight rates, so far as soybeans are concerned, from western Ontario to Toronto. It is another red herring drawn across the trail to confuse the farmers and those who are applying for a reduction in the freight rates.

Paragraph 25 goes on:

In view of the conclusions therein stated the board is unable to find that a fixed spread of 1¾ cents on ex-lake soybeans over other ex-lake grains constitutes unjust discrimination of Ontario soybean movements.

Actually, as I mentioned before, the net result is that the preference is given to the United States soybeans from Chicago and not to the Canadian growers.

Paragraph 26 is very revealing. It reads:

Reference herein has been made to the board's possession of data from which certain conclusions have been drawn. It may be stated, for your information, that the source of such data is the dominion bureau of statistics, who have requested that the information furnished be privileged due to the restricted scope of manufacture of soybean products.

I cannot see why any figures supplied by the dominion bureau of statistics should be privileged. We should know about them just as we do about anything else. We are paying for the compilation of those figures. Then the paragraph goes on to say:

In view of the board's understanding that Victory Mills Limited is considered to be the leading processor of soybeans, the conclusions stated can no doubt be readily verified.

That is all the more reason why the minister and the board of transport commissioners should look into this vexatious question of discriminatory rates so far as soybeans from southwestern Ontario are concerned.

Mr. Green: Mr. Chairman, as the committee is aware, this question of freight rates is of great importance to all the provinces of Canada, with the exception of Ontario and Quebec. While Newfoundland has not been a party to the various appeals, I imagine that when that province finds out just what its freight rates structure really means, the government of Newfoundland will also be vitally interested in this whole question of freight rates.

This afternoon I should like to ask the minister to answer one question which to my mind is at the heart of this whole problem. My question is this: How and when is the question of discrimination to be decided?

Mr. Chevrier: Mr. Chairman—

Mr. Green: I do not want the answer so fast. To my mind that is the heart of the problem. The board of transport commissioners has obviously failed to deal with the disparity in the freight rates applying to different parts of Canada, because all the increases the board has granted have been on a horizontal basis. That, after all, has the effect of making the discrimination worse.

I think the situation was clearly summed up by the resolution presented in the British Columbia legislature on March 20 this year, when dealing with the decision of the government of British Columbia to join with six

other provinces in an appeal to the dominion cabinet. One paragraph of the resolution reads as follows:

The board—

Referring to the board of transport commissioners.

—erred in authorizing a general horizontal or flat percentage increase, disregarding and accentuating existing disparities in the freight rates structure;

And the board further erred by failing to limit the authorized increase to flat maxima amounts or by other exceptions, or otherwise.

When the first decision was given, back in March of 1948, there was a great volume of protests from seven provinces in Canada. At that time the Minister of Transport was very much on the spot. He was being attacked in the House of Commons, and was dodging from one excuse to another. He was really in extreme difficulty.

Mr. Chevrier: You know that is not so.

Mr. Green: Well, perhaps we could say that he was very much embarrassed. If he was not, he should have been. In any event, under that pressure the government, through the Minister of Transport, announced that there was to be a general investigation of the whole freight rates question in Canada by the board of transport commissioners. I have here the minister's statement on April 7, 1948, when, on the same day, he tabled an order in council which authorized this general investigation by the board of transport commissioners. I shall read a portion of the order in council to which reference is made at page 2717 of *Hansard* just to show the step the government was taking at that time:

The committee—

Referring to the privy council.

—observe that no general investigation of freight rates has been made in Canada since that conducted in 1925 by the board of railway commissioners for Canada. . . .

The committee further observe that in the said order in council it was stated that "the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada and as being the method best calculated to facilitate the interchange of commodities between the various portions of the dominion as well as the encouragement of industry and agriculture and the development of export trade."

Then it goes on to say:

It is therefore advisable that the Board of Transport Commissioners for Canada be directed to make a thorough investigation of the rates structure of railways and railway companies which are under the jurisdiction of parliament, with a view—

And this is the important part.

—to the establishment of a fair and reasonable rates structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities so as to permit the freest possible interchange of commodities between the various provinces and territories of Canada and the extension of Canadian trade both foreign and domestic, having due regard to the needs of agriculture and other basic industries.

Then the order in council went on to authorize the general investigation. Even that proposal was not satisfactory to the house. There were further protests, with the result that six days later, on April 13, the minister made a lengthy speech in which he pointed out that the board of transport commissioners, under the order in council I have just read, was being given the widest possible power to deal with discrimination. The minister's statement is to be found at page 2898 of *Hansard* for 1948, and he concluded by saying that the chairman of the board of transport commissioners had told him that there was nothing in the Railway Act which hampered them in any way in dealing with inequalities or the so-called discrimination which may exist in the country.

That was the stand taken by the government at that time. Some hon. members asked how long it would take for the board of transport commissioners to make the inquiry, and the minister answered as reported at page 2904 by saying that the chairman of the board had assured him that it would require an absolute minimum of six months in which to complete the investigation, and that it would probably be completed within the year. That would be a year from April 13, 1948.

On that same date the then leader of the opposition, Mr. Bracken, pointed out that he was afraid there would be a much longer delay, and that these increases were making the discrimination that much worse. As a matter of fact, Mr. Bracken moved an amendment to the motion then before the house.

The board of transport commissioners took action on that order in council right away and two days later, on April 15, issued a notice to the public which said that in order to carry out as expeditiously as possible the directions of the order in council the board invited provincial governments and other authorities, boards of trade, chambers of commerce and other interested parties to submit to the board any statements of fact under which it was claimed unjust discrimination or undue or unreasonable preference or advantage or unfair treatment existed against or in favour of any locality, province or region by reason of the present rate structure. In that notice the board asked that the submissions be filed not later than May 25, 1948. The notice also contained this paragraph:

The purpose of this notice is to put the board, as early as possible, in possession of any and all complaints against the existing rate structure, and to specifically direct attention to the subject matter

of such complaints, with a view to considering what changes, adjustments and redistribution in rate incidence may be necessary to correct the defects complained of.

That was over two years ago and it is interesting to note what happened. The story is contained in a statement made by the Minister of Transport in this house on June 2 of this year, to be found at page 3115 of *Hansard* as follows:

To date the plan and proposals of the railways have not been received, and the provincial governments have not made any submission with respect to the order in council.

The board of transport commissioners were of the opinion that the report and recommendations of the royal commission should be studied before completing their findings pursuant to P.C. 1487.

A royal commission had been set up in the meantime to consider the transportation problem of Canada with the exception of this question of freight rates. Throughout, during this whole time, there has been a demand for some steps to be taken to remove these discriminations. In the speech from the throne delivered on January 26, 1949, the government had this to say:

A royal commission has been appointed to inquire into and report upon all questions of economic policy within the jurisdiction of parliament arising out of the operation and maintenance of national transportation. Together with the findings of the investigation by the board of transport commissioners, the report of the royal commission should furnish parliament and the government with the basis for a sound transportation policy.

That was a year and a half ago but now we find ourselves in the position where the board of transport commissioners has not carried out its investigation and where the royal commission is not to make its report this year. Yet the government has taken no steps to correct this problem of discrimination. There was one decision made by the board for which I give it credit, that removing the mountain differential which affected British Columbia, but on the general question of discrimination there has been nothing accomplished and there will be nothing accomplished until the royal commission reports next year.

I submit that we have good reason to be doubtful as to whether the board of transport commissioners will deal with the question of discrimination on a Canada-wide basis even after the royal commission reports. If they do it will probably be more years before there is a finding by the board. I submit to the minister and to the committee that the government should act without delay and not permit this discrimination to continue indefinitely. I ask the minister to answer the question I posed in the beginning: How and when is the question of discrimination to be decided?

The amendment now before the committee questions the capacity of the board of transport commissioners and asks that the vote for the board be reduced to $1. I do not intend to say anything about the various judgments in connection with freight rates but they certainly do not indicate great strength. However, I should like to say a word about a recent judgment of the board in connection with an application by the British Columbia Telephone Company for an increase in telephone rates in British Columbia. That application was heard by three members of the board. The chairman started out to take part in the hearing but was taken ill and did not get to the Pacific coast. The members who did sit told counsel representing the company, the province of British Columbia, the cities of Vancouver, Victoria, and New Westminster, the municipality of Burnaby, the Union of British Columbia Municipalities and various other public bodies that only a certain number of days could be spent on the application as the board had to get back east to deal with other business. From the tone used one could only assume that that business was considered far more important. The result was that a proper opportunity was not given for the consideration of this application.

The application affected most of the people in British Columbia because the British Columbia Telephone Company serves most of the settled portions of that province. The hearing was held in January of this year and on May 30 an interim judgment was handed down which granted the company 93 per cent of certain of the increases applied for. No reasons for judgment have yet been given to my knowledge and the result is that those of us who are interested cannot find out on what basis the award was made. The cities interested cannot decide whether they should appeal because they have no reasons for judgment upon which to base a decision.

That is not good enough for a board of this kind. While the board gave an interim judgment which awarded a large increase it has called upon the British Columbia Telephone Company to supply further information before rendering a final judgment. I submit that if the board of transport commissioners is to retain the respect and confidence of the Canadian people it must be a great deal more careful in the way it does business. I think it must be far more ready to look out for the interests of the little fellow, the man who has to pay these bills.

On this particular hearing there was one point which I thought was of some importance. When the British Columbia Telephone Company came to this house in 1947 asking

for an increase in capital, we obtained from the member who sponsored the bill on the floor of this house an undertaking that they had no intention of applying for an increase in rates. At page 2718 of *Hansard* for May 2, 1947, I asked the then member, now Senator Reid:

> I understand that the hon. member has been authorized to give assurance to the effect that the company has no present intention of applying for an increase of rates and will not make any such application unless compelled to do so by extensive changes in conditions.
>
> Mr. Reid: That is my definite understanding.
>
> Mr. Green: That assurance is clearly worded and contains a statement to the effect that an application will not be made unless the company is compelled to do so and then only by reason of extensive changes in conditions. If the hon. member for New Westminster is prepared to give that assurance on behalf of the British Columbia Telephone Company I for one shall have no objection to the bill passing.
>
> Mr. Reid: I am authorized to do so, and it is my definite understanding.

That was in May of 1947; hon. members will notice that there was to be no application for increased rates unless extraordinary conditions arose. I believe the telephone company officials went right back to Vancouver and started preparing an application for an increase in rates. At any rate they were not very long in applying for an increase. When counsel for the city of Vancouver tried to bring in that assurance as evidence before the board of transport commissioners the chairman ruled him out of order and would have nothing to do with it. He ruled that what had been said in the House of Commons was not evidence, that it was of no importance whatever, and went right ahead to hear the presentation by the company. In other words right there the board ruled for the company; it agreed with the submission of counsel for the company that this assurance could not be brought in as evidence, and I do not believe the board gave the people of British Columbia a fair run for their money. If we are to have a board of that type, in such a great hurry to hear the representations of these big companies and not giving the little fellow a break, I think it is time something was done about the board itself.

I suggest to the minister that he had better not be so sure as he was when he last spoke on this amendment that the board of transport commissioners is perfect. I admit that it has plenty of problems, but I am afraid it is far from perfect. Certainly some of its actions recently have shaken the confidence of the people in its wisdom. I would hope that the minister will take steps quickly to see that the board is strengthened.

Mr. Chevrier: If I may be allowed a moment to reply to the question put to me by the hon. member, he asked how and where discrimination is to be eliminated. Discrimination can be eliminated in more than one fashion. It can be eliminated by the railways themselves; that has been done on many occasions. It can be eliminated by the board as a result of its hearings. It can be eliminated by P.C. 1487, the general investigation the government has authorized by the board. The fact that it can be eliminated is indicated by the words of the hon. gentleman, who says the mountain differential was removed following the hearing held by the board in Vancouver. Then it can also be eliminated by recommendations that may be made by the royal commission on the general question of transportation.

I do not think there should be any doubt in the mind of the committee that under P.C. 1487 the board has the right to eliminate discrimination. The difficulty has arisen because of the fact that no evidence has been submitted. It is true that the provinces were busy with the royal commission and these other two hearings, and I believe now they have given an undertaking to co-operate to the fullest extent, so I am hopeful that from now on they will make submissions. Since 1925 no evidence has been submitted before any public body or commission to establish discrimination. I do not want to go over the discussion that took place previously, but most hon. members maintained that there was discrimination. Well, as far as the board is concerned it could not consider discrimination until it had been charged with that responsibility, as it has now been, and until evidence of discrimination has been submitted. Under P.C. 1487 the board is anxious that there be public hearings so it may determine what the discrimination is, if any.

Mr. Green: Then is this the minister's plan: first, that nothing further will be done until the royal commission reports, which he said would be next year. Then the board of transport commissioners will have a general inquiry into the whole question of discrimination, and after that is held and a decision is announced the government will have to act to make any amendments to the statute law that may be necessary. Is that the course the minister believes should be followed?

Mr. Chevrier: No, that is not the course I suggest at the moment. What I suggest is that two years ago the board was required under P.C. 1487 to conduct a general rate investigation. During that time the board has invited any public parties interested, particularly the provinces, to submit evidence of

discrimination. The provinces have given reasons why they could not or should not do so. Meanwhile the board has not remained idle. It has commenced studies of the waybill question, and is making a complete analysis of the freight waybill in order to ascertain by that method, which I understand is a new method, whether there is discrimination and to what extent. It may well be that they will make a finding before the royal commission on transportation brings down its report. On the other hand the chairman of the board has indicated to me that a complete investigation could not be made until such time as certain questions referred to the royal commission were answered. The whole point, I would think, is that evidence should be submitted before the board by the parties alleging discrimination.

Mr. Green: Once the board embarks upon this general inquiry, how long does the minister think it will take to complete that work? Has he asked the chairman of the board for an estimate?

Mr. Chevrier: I would not attempt to answer that question in any way other than the way I answered it when my hon. friend referred to the matter previously. I could not attempt to answer it, because it depends upon so many contingencies. It depends upon the length of time required for the waybill study. It depends upon whether or not the provinces will make submissions to the board. It depends upon when the royal commission is likely to report. It depends upon so many contingencies that any answer I might make could not possibly be at all accurate.

Mr. Smith (Calgary West): I should like a few moments of the time of the committee, in the hope that what I say may be regarded as a contribution to an understanding by the committee of our real problem with respect to railways. In saying that I do not wish it to be inferred that I am presuming to speak as an expert, in any broad sense of that word. Freight rates are something with which I have had some experience, particularly in the western part of Canada. I cannot help recalling that my parents came to the city of Regina before the Canadian Pacific Railway. From the time I was able to read or to listen, I remember the battles which took place between the Canadian Pacific and the various municipalities that thought they were discriminated against at that time—that is the settlers in their areas thought they were discriminated against.

Now that was a time in the history of rate making when it was one hundred per cent true to say the basis of rate making was what the traffic would bear. I do not think that will be disputed by anyone whose memory goes back any considerable distance. The rates vary all across Canada, not by the fixation of those rates by the board of railway commissioners, as they were first known, but in the discretion of the railway itself. I do not say that critically, because I would think that would be the way that any of us would probably conduct our business in the event that circumstances of a like kind were present in the conduct of that business. Before I am finished I am going to make a suggestion, and it is this: that until we make rates which bear some relationship to the cost of carriage, then I believe our troubles will never end. Even today there is no such relationship established in any broad way.

I well remember the debates in this House of Commons in 1921 and 1922 when the Crowsnest rates were made statutory. I believe it is well to remember that they were first made by agreement, at a time when the railways were, to use an ordinary expression, in the driver's seat, because they had no competition whatever in connection with the haulage of those goods covered by the Crowsnest pass rates. We cannot blind ourselves to the developments which have taken place since. The result has been that in central Canada a new source of competition, in the old days completely unheard of, has sprung up, and that is transportation by truck. In those old days we had only one yardstick to use in controlling freight rates, and that was transportation by water. Many of us are old enough to remember the change that took place at the time the Panama canal was opened. We then had a major change in the structure of water competition. One could ship by water from Hamilton, through the Atlantic ocean and the Panama canal to Vancouver, and that shipment enjoyed the cheaper water rate.

We are coming to a point now where the members have listened with much interest, as I always do, to the member for Macleod insisting that the Crowsnest pass rates, which are statutory rates made by this parliament, must be maintained at all costs. I am going to agree with that, with a modification, but for an entirely different reason. My reason is that they have been in force for such a length of time that those rates must now be regarded as part of the basic structure of freight rates, and should not be regarded as a stab here and a stab there to suit different occasions. I know quite well that the railways were happy to haul all the grain they could to eastern Canada at those rates. I say, therefore, that in any consideration of our

general rate structure they should not be regarded as a change in the structure now debatable, but should be regarded as part of the whole rate making structure in connection with our railways.

I remember coming down here before the railway commission many years ago when we endeavoured to find the cost of hauling a ton of goods, we will say from Drumheller in Alberta to the city of Toronto. I believe our efforts on that occasion could only be described as futile, because of the inability of those of us who were not experts in rate making to present evidence to the board in contradiction or in contradistinction to that presented by the two railways. The railways, of course, have made great studies of those matters. Having regard to my amateurish theory, if you like, with respect to costs, I well remember endeavouring to find that cost by asking both railways why they did not base it on their own costs. The railways have a term known as OCS, or on company service. In other words, they haul their own coal from the Crowsnest pass to Winnipeg or they haul their own ties and other supplies, and they charge themselves, to use the initials, an OCS rate.

Upon my examining the higher officials, they frankly admitted that the OCS rate, that is what they charged themselves to do their own business, had no relationship whatever to cost, and was simply an arbitrary figure which they had fixed for the conduct of their own business. What are the changes, perhaps I should say in the economic life of the country, which most affect the rates?

I mentioned the canal. I mentioned the increase of trucking service. Let us not forget what this trucking service is doing; and we have all been approached by emissaries of the truckers in the last while. What they are doing is skimming the cream off the freight business. We shall need our railways. Certainly in bad weather we shall need them to carry all of our freight and, in other times, to carry that which goes a considerable distance.

In addition to that, we found the eastern part of the country building good highways with which those highways of ours farther west could not compete, and everything I say, Mr. Chairman, applies to the maritimes as well. We found ourselves in the position that we did not have the highways nor did we have the money to build them. The density of our population does not even compare with the density down here in the east. The truck, of course, would call at your place of business and deliver the freight at the place of business to which it was consigned at the other place. That is the next important fact which has entered into this picture.

We shall now take a horizontal increase in freight rates. What does it mean? We have heard much about the province of Ontario and the province of Quebec not appearing before the commission. If I were running either of those provinces I would do exactly the same thing as they have done. Why? Because they know perfectly well that you can make a horizontal increase in freight rates clear across the country and it is not going to cost them a dime because the railways cannot collect that increase, in view of the truck competition and water competition through your rivers and canals which are in this part of the country. What I say is this. It is just a matter of common sense, a matter of simple arithmetic, to know that horizontal increases, in so far as they may benefit the finances of a railway, are paid for—I was going to say entirely, but perhaps that is too strong a word—in great proportion by those of us who live far from here, both in eastern and in western Canada.

I add this comment. I think it is a wrong principle that, in determining rates, there is such a complete separation between the passenger rates and the freight rates. Included in your passenger rates, of course, consideration must be given to the operation of railway hotels across Canada. Those were built, of course—and wisely built—in the first place in order to find more passenger traffic. Yet it is generally accepted today that the passenger traffic is conducted at a loss. Someone may quickly rise and say, "well, that should be stopped". That, of course, would be said by someone with no knowledge of the situation. Your transcontinental traffic is governed by two things: American competition out of Seattle, through Chicago, up into Toronto, we will say; and now, with the addition of air travel, there is another competition. He would be foolish who would simply say, "Raise passenger rates in Canada", because that indeed would be killing the goose which laid some kind of an egg, even though it be not a golden one.

I want to speak of another principle before I come to a suggested solution, and it is this. I am one of those who think that a railway company should never be called upon to operate a railway at a loss and to take the profits from its other investments into account in determining what is an adequate freight rate. I cannot help bringing that proposition down to its simplest form, to my way of thinking; because I think in simple form. Let us assume that over on Sparks

street here I had a fair boot and shoe business, just to pick one out of the air. If I had, I would not have holes in both shoes I am wearing. But let us assume that I have a boot and shoe business that is doing fairly well. Then, out on Bank street or in some of those areas, let us say, I think there is an opening for, we will say, a grocery store. So I take my savings and I put them into my grocery store. Then suppose hard times come to one of my small industries. Who is there so foolish as to say that I must continue to operate my boot and shoe business, which is losing money, because my grocery business is making money? That is all there is to this argument that the railways should be compelled to put into a common pot all the money they receive from their various investments.

I now come back to what I said in opening. You meet today the request for the removal of discrimination, and certainly I agree heartily that there is need for that. But what we need is not so much a raising or a lowering of rates. In dealing with this problem, we shall never get anywhere until we have equalization on some common basis across the Dominion of Canada. When I say "equalization" I mean this. We must get into our rate-making at least some of the principle that a longer haul does pay more money than a shorter haul. That is not true today. That principle is just good common sense, Mr. Chairman. If you buy a ticket for a passenger trip to Vancouver, you will pay a great deal more than you will for a ticket from, we will say, here to Winnipeg or vice versa. But that is not true with respect to freight.

I therefore come back to my original proposition, that until we get to some extent an introduction of the rule of costs of doing the business, we shall never be out of the bush with respect to special rates on this commodity and that commodity and with respect to discrimination here, there and elsewhere. In that regard we must all remember the terms on which our outlying provinces came into confederation. I am not saying for a moment that you can just adopt that rule. It might increase certain freight rates because of these three changes in conditions which have arisen very much within my own time, but what I am saying is that unless you start with a sound basis you will never get anywhere. From that sound basis you will have to make changes here, there and elsewhere, but now we cannot make any change without introducing so many complex questions of various kinds that we do not know where we are.

May I say one thing more about our present procedure? I think this appeal from the board to the privy council is one of the silliest procedures I have ever known.

Mr. Chevrier: Hear, hear.

Mr. Smith (Calgary West): I do not know how many members there are of the privy council but let us use the figure twenty. I remember an appeal in which I was involved some years ago. I think it was that twenty-fifth time the minister spoke of; but in any event my late friend, Mr. S. P. Woods, was counsel in the matter. What happened? I am not blaming the members of the privy council. You come down to the privy council with volumes of evidence. Today you will have the Prime Minister, the Minister of Transport and somebody else on the council. The following day, owing to duties that they must carry out, you will have perhaps one of these three gentlemen and three or four others. You could easily come to the place where you would never have even one minister listening to your appeal day after day throughout the whole appeal. Therefore when I use the word "silly" I can think of no better one. Perhaps "ineffective" would be better. It is a completely ineffective way of proceeding with appeals.

A word with respect to the amendment, and I am through. I am bound to say this. I am going to vote for the amendment. I realize the difficulty that the board of transport commissioners have to contend with, but in my judgment they have fallen far short of the mark. One reason may be that the difficulties are too complex. Perhaps the fact that they divide themselves up to hear cases, one section in one end of the continent, and another section in another, has something to do with it. The only thing I am going to say is this. In recent years they have proved ineffective. I hope no one will go to the members of the board and say I am suggesting that they are no good. But I am saying this. They have not fulfilled the hope held for them. For reasons perhaps better known to others than to me they have proven incompetent to discharge the duties thrust upon them by parliament and by circumstances at the present time; therefore I will vote for the amendment.

Mr. Diefenbaker: There are just one or two observations that I am going to make on this matter. I am not going to traverse the ground I did on June 2, but I do wish to make one or two references to the speech made by the minister on that occasion. He denied that there was discrimination against the western provinces. All I can say to that is that if he be correct in that view then every

newspaper in the western provinces has been wrong for fifteen long years. Every newspaper supporting the government of the day has had editorial comments indicating that there is unjust discrimination against the western provinces.

All I can say in regard to the increase is this. No one objected, nor will anyone object, to any increase necessary to assure that the railroads of this country shall, when efficiently operated, return the cost of their operation and a fair and reasonable profit. No one argues anything contrary to that. But what we from the western provinces argue, and have a right to argue, is that in a series of horizontal increases we today are paying 21·7 per cent higher freight rates than are paid in Ontario and Quebec. The result is that our people are suffering unjustly and unfairly by these horizontal increases.

If I were to say to you that certain businesses of the prairie provinces are going to suffer as a result, and will be placed below the profit level in consequence of the increases, you might feel, sir, that I was speaking without justification. I therefore call in support the Saskatoon *Star-Phoenix*, which on May 26 said in reference to the recent increase in freight rates—that was the last one:

> But coming on top of three other increases in a little more than two years it will inevitably push some farm districts and some businesses in western Canada below the level of profitability.

In the course of his remarks the minister said there was no proof of discrimination. I have his remarks here but I am not going to quote them. He said that I advanced no proof of discrimination in my argument. He as a lawyer knows that when a thing is so obvious that all know it proof is not required. However, if proof is required cannot the board of transportation commissioners read the evidence that has been taken before the Turgeon commission? For over a year and a half the Turgeon commission has been hearing evidence. The evidence is there regarding discrimination. It was placed there by eminent counsel representing the three western provinces. Surely further evidence is not needed. Cannot the board of transport commissioners read the evidence that has been taken, or must they again have further evidence to establish what is already known?

I am not going to answer my hon. friend on this occasion in kind. Were I to do so I would be speaking at greater length than I intend to. Suffice it to say this: the fact that I do not answer that flamboyant speech that he made on June 2 is no indication of any desire not to answer him, for it consisted in large part of generalities and indicated on his part not that sympathetic attitude that a minister of the crown, occupying the high and responsible position that he occupies, should have toward the western provinces for which I believe I am speaking now.

Alberta, Saskatchewan and Manitoba are not in disagreement in this any more than the maritime provinces are in disagreement that they are being discriminated against. The minister's attitude indicated not that regard for the national viewpoint that I would have expected him to have displayed. I can only take it that it was made in the pique of the moment, and that in annoyance he gave expression to certain things that indicated a considerable removal from that judicial viewpoint that I would have expected him in a matter of this kind to have exercised.

Sir, I repeat what I have said on this and on other occasions. No one has any objection to an increase in freight rates to permit of efficient operation and a fair and reasonable profit. We take that for granted. But what we do object to, and what the legislature of Saskatchewan unanimously objected to, was the loading of the western provinces with still a greater burden of freight rates by reason of unfair discrimination being intensified through the increase.

For some reason or other when we try to get relief through the use of the Hudson Bay railway we get little support in that direction. Indeed, if press reports of the last few days are correct, the Hudson Bay route during the present year is going to be used less than it has been in the last two years. That would have reduced freight rates. That would have given to the western farmers a larger share of the amount ultimately realized. But even hopes in that regard are not going to be maintained. More than that I will not say on this occasion. But I should have liked to see Liberal members from all parts of western Canada rising on this occasion in the house in protest against this injustice, which is a denial of the principles of confederation—equality to all provinces, and injustice to none.

An increase horizontally allowed makes agriculture in the western provinces less remunerative, and imposes a burden greater than there is any justification for imposing at this time. I will not go into the question of discrimination. If there is to be an argument on that, then I have the material before me. It is accepted that it is unfair. I submit a horizontal increase should not be allowed.

The minister might say that there could be an appeal to the cabinet, as he said on that occasion.

Well, if an appeal is made to the cabinet, as has already taken place, I understand, on the part of seven provinces, I hope the minister will not adopt the adamant attitude he did in the House of Commons, and that the attitude here displayed was merely for show purposes in the House of Commons, and was in no way indicative of his general attitude toward the unfairness that is being shown to the western provinces.

Mr. Chevrier: May I just say a word. I am sure the hon. member for Lake Centre would not wish to leave the impression that by anything I have said in my speeches in the past I am not fully sympathetic toward the problems of western Canada as well as the problem of the maritime provinces, because if that impression was created in his mind and in the minds of any others I wish to dispel it immediately. That certainly is not the position that I have undertaken to adopt.

There is one thing however which my hon. friend said, and I am sure he will not wish to create a wrong impression as it certainly is not in accordance with my recollection of what I said. The hon. member said that I denied there was discrimination. At no time did I say that. On the contrary, I said that if there was discrimination there was no evidence of it. I said that discrimination was undesirable. I said on a number of occasions during my speech in the House of Commons that there is discrimination, but why not let the board determine the extent.

In answer to the hon. member for Vancouver-Quadra I said that there were several methods whereby the proof could be established, whereby evidence could be given, and one of these was before the board. In fact, when the provinces came here the other day they indicated their co-operation by stating in effect through their counsel that they would co-operate by offering evidence of that discrimination. I have stated in the house repeatedly that since 1925 or 1927, since the year of the last general investigation into freight rates, there has been no official inquiry into that discrimination, and hence no evidence which the board could be seized of.

Mr. Diefenbaker: Was there not evidence given before the Turgeon commission?

Mr. Chevrier: I am coming to that. My hon. friend states there was evidence. Yes, there was evidence, but the board of transport commissioners has been set up as a board of inquiry to decide whether or not there is discrimination. I think it is proper that if there is discrimination those concerned should come before the board and establish it.

My hon. friend says they are paying in western Canada 21·7 per cent higher freight rate costs by reason of the horizontal increase. That is a statement made in the evidence. Mr. Moffat gave this evidence before the board. That has been denied by the railways, and they denied it in their appeal before the governor in council the other day. The provinces in their brief maintain one position; the railways in their brief deny that position and until there has been a determination by a competent authority such as the board on this question of discrimination, it is not competent for my hon friend simply to state that there is a discrimination equivalent to 21·7 per cent against western Canada.

I have been most anxious to approach this, as I have said repeatedly, with the greatest of sympathy, because I realize that politically, economically and financially this is a tremendous problem. I noted the hon. member said that I was flamboyant. However, the hon. member for Lake Centre is sometimes flamboyant.

Mr. Diefenbaker: You were not imitating me?

Mr. Chevrier: I felt, Mr. Chairman, that I should put on record what was intended by my remarks, namely that no general inquiry was held. An inquiry has been authorized, and the provinces are happy and willing to give evidence. I just wished to clear that up, and the board is anxious to clear it up.

Mr. Diefenbaker: So that there may be no misunderstanding as to the way the minister expressed it, I read this from page 3166 of *Hansard*:

> He said that the latest decision will accentuate and increase the discrimination. That was the important statement made by the hon. member for Lake Centre. Of course if discrimination exists it is bound to be accentuated by an increase in freight rates. I do not think there could be any doubt about that.

And then he goes on to say this:

> True, you can have a removal of discrimination if it exists; but my hon. friend did not put one tittle of evidence on the record to indicate that there was discrimination.

And then later on:

> He took it for granted, as many others take it for granted, that there is discrimination. Yes there is, but to what extent? While it is true that freight rates in Ontario and Quebec are generally lower than those in the maritimes and on the prairies, and on the Pacific coast they are somewhat lower than on the prairies, there has been no evidence since the case of 1927 to indicate wherein that discrimination lies.

The minister now has been fair enough to say that evidence taken by the Turgeon

commission is to that effect in certain cases. I would wish that he might see to it that the board of transport commissioners will be allowed just to look at that evidence so that they will have before them a compendium of pages and pages of evidence indicating conditions of discrimination both unjust and unfair.

There is another matter about which I should like to ask the minister. It arises out of a debate on March 22, 1950, but I do not know whether I should bring it up under this item.

Mr. Chevrier: I would ask my hon. friend to leave it until an item is called which has to do with Canadian National Railways.

Mr. Diefenbaker: It may not be applicable to that other item, but it probably will be more in place, and I bow to the minister's suggestion.

Mr. McCusker: I spoke the other day on this matter of western freight rates, and I think I outlined pretty clearly what seemed to me to be the discrimination that existed. Having received the assurance of the government that the royal commission was looking into this matter, I was satisfied to wait until we had their report. I see no sense in repeating my remarks two or three times, as the hon. member for Lake Centre has just repeated his speech of the other day, with a few more exaggerated gestures, and as my hon. friends further along in the opposition have done. These hon. members have accused the western Liberal members in the house of not supporting the claims of the west in connection with freight rates. They have charged, both in the house and on the hustings, where they have been spending a lot of their time lately, that we are not doing anything to protect the rights of our provinces. As I stated previously I made a speech on freight rates the other day and I am ready to stand by what I said.

Amendment (Mr. Drew) negatived: Yeas, 32; nays, 53.

Item agreed to.

Canadian maritime commission—

525. Administration, $190,170.

Mr. Green: Mr. Chairman, when the estimates were last under discussion we had just begun to consider this item, which brings up the whole question of Canadian shipping policy. There are two matters I should like to place before the minister today. The first is the question of faster cargo vessels for Canada, which I raised on the previous occasion. At that time the minister did not give a clear-cut answer as to whether the government had a policy to help provide faster cargo vessels for the Canadian merchant marine. I had pointed out to him that under what was known as the replacement plan the government had allowed certain owners of wartime ships to sell them provided that the proceeds were placed in an escrow fund; further, that it had always been my understanding that the main purpose of that provision was to make money available for the building of faster cargo vessels.

In his reply on May 26, as reported at page 2929 of *Hansard*, the minister intimated that this escrow fund had only served the purpose of enabling Canadian ship owners to consolidate their holdings, and helping the government to get back certain money still owing on the original purchase price of the wartime ships.

If the minister will refer to the first report of the Canadian maritime commission he will find that in several places it is emphasized that one of the main jobs of the commission is to recommend the means by which Canada can get a modern merchant navy. We find the tonnage replacement plan carefully explained in the report. They say:

> One of the principal problems being dealt with by the commission is that of modernizing the Canadian-flag fleet. The Canadian fleet now consists mainly of 115-10,000 ton and 22-4,700 ton ex-"Park" ships which were sold by the government to private Canadian shipping companies on liberal terms with a flag transfer restriction prohibiting their being resold with transfer of registry.

And again:

> These war-built ships made a most important contribution to the Canadian and allied war effort and are still suitable for carrying bulk cargoes in many trades. However, many Canadian ship owners must have faster and more specialized tonnage for their services if they are to meet foreign competition effectively.
>
> To meet this problem, the commission is carrying out a tonnage replacement plan to enable Canadian ship owners who need new tonnage to sell their ex-"Park" ships with transfer of flag, using the proceeds to obtain replacements.

And again:

> It is felt that the plan will benefit both the shipping and shipbuilding industries. The ship owner is enabled to obtain the present high world market price for his war-built ship and to replace it with a ship better suited to his operations and capable of meeting foreign competition. The plan should provide long-term employment for Canadian shipyards and the personnel they employ. Merchant seamen will have better accommodation and living conditions and a greater guarantee of continued employment. The government will receive prepayment of the mortgages now outstanding upon ex-"Park" ships and Canada will have a more balanced up to date fleet to serve her external trade and provide for the needs of national security.

That is a clear-cut explanation by the commission of this tonnage replacement plan. It obviously was designed to enable Canada to

have a fleet of fast cargo vessels, but the present position is that we have none of those faster cargo vessels except the one or two owned by Canadian National Railways. Apparently none are being built under this tonnage replacement plan, and we are ending up with forty wartime vessels. That is to be the Canadian merchant navy, forty old, slow, wartime cargo vessels. I would like the minister to explain whether the government has given up all hope of Canada's merchant navy having any of these fast cargo vessels.

There is one other question I would like the minister to answer, having to do with the north Atlantic shipping control board. When the north Atlantic council met in London a few weeks ago they agreed upon the setting up of a north Atlantic control board, which I believe was supposed to hold its first meeting last Monday. I would like the minister to explain just how Canada is affected by that board, and who is to be our representative on it.

Mr. Chevrier: Dealing with the first matter, it is true that in its first report the maritime commission advocated the construction of fast cargo ships. As my hon. friend knows, however, the position in reference to the Canadian maritime fleet was seriously affected by a number of causes in 1948 and on into 1949. Until the end of 1948, yields and profits from the operations of the fleet were good. Suddenly, however, because of a decision by the United States that at least one-half the movements under ECA should be in American bottoms and the other half in bottoms of the recipient countries, the financial position of Canada was unquestionably affected. Then came devaluation, which struck a serious blow at our merchant fleet. Then there were the costs of operation, which even before devaluation were not very satisfactory, and were aggravated following devaluation.

So when my hon. friend asks whether the government have given up hope of building fast cargo vessels, I must reply that as long as the position remains as it is I do not think we can give serious consideration to their construction. However, we are hopeful that the situation will remedy itself. When it may be possible to give consideration to these questions is another matter. Certainly it cannot be done at the moment, when we are putting into operation our policy of assigning ships to the United Kingdom and paying subsidies to other ships in order to keep them in operation in Canada.

Mr. Green: Just on that point, the maritime commission still has under its control in this escrow fund a good many million dollars. Is that money to be paid out to the shipping companies without any obligation upon them to build fast vessels, or is it to be held?

Mr. Chevrier: I have already put on record the conditions governing the replacement plan. I put them on record last year, and again in the statement I made, though I did not say how much money was in the fund. There has been paid into the replacement fund $27 million, from the sale of some forty-four ships. Of that amount $4,249,000 has been spent for the conversion or improvement of ships.

Mr. Green: That has been paid out?

Mr. Chevrier: Yes.

Mr. Green: So there is still $23 million in the fund?

Mr. Chevrier: There is still the difference between $27 million and $4,249,000 in the escrow fund, and that may be taken out only if it is to be used for construction or conversion. If anyone does want it, he has to pay a pretty stiff penalty.

Mr. Green: Will it be allowed out for the construction of any vessel, or must the new vessel be fast and modern?

Mr. Chevrier: The answer to the latter part of the question is no; and it can be assigned, as it has been on some occasions, to other companies so that they in turn may build under the terms and conditions providing for the payment in of these moneys.

Mr. Green: Then in effect we have no hope of getting any fast cargo vessels in the near future?

Mr. Chevrier: I should not think we would have any hope for 1950.

Dealing with the next point, unfortunately that is a matter on which I cannot give a great deal of information, since it concerns security. All I can do is repeat what I stated in the previous debate, that a north Atlantic shipping control board has been established; that it has met in Washington and London, and that its purpose is to devise ways and means of establishing a shipping pool in case of emergency; that the plan has been worked out, and that our representative on the board will be the High Commissioner for Canada in London, Mr. Wilgress.

Item agreed to.

Canadian maritime commission—

526. Mail subsidies and steamship subventions, as detailed in the estimates, $3,317,000.

Mr. Green: I should like the minister to explain what portion of this amount is payable to companies operating on the west coast, and to what companies.

Mr. Chevrier: Two of these subsidies are provided for operations on the west coast. One is to the Vancouver and northern ports of British Columbia and Queen Charlotte islands service, operated by Union Steamships Limited of British Columbia.

Mr. Green: How much is that?

Mr. Chevrier: The subsidy is $345,000. The other company is the C.P.R., in the amount of $60,000.

Mr. Green: Some question has arisen in connection with this subsidy to Union Steamships Limited. Apparently it is supposed to be paid in connection with their northern run, but I understand they are in very keen competition with a line operated by young Canadian naval veterans, called Gulf Lines Limited. This new line operates on the southern end of the run, and apparently Union Steamships Limited have followed the practice of cutting rates on the portion of the run also served by this new line. As a result the government would appear to be in the position of subsidizing the older company to make things difficult for the new one. I do not believe that is fair. I understand there is some suggestion that this subsidy is all spent on the northern run, that none at all finds its way to the southern part of the run, where there is competition; but it is strange indeed that there should be these reductions in rates which make it almost impossible for the young veterans to carry on. I would like the minister to explain the picture with regard to that subsidy.

Mr. Chevrier: I must say that the maritime commission conducted a complete investigation into a number of services that made application for the subsidy under the Steamship Subvention Act, and a full hearing was held in this city. I cannot recall from memory what companies made application, but there were several; the Gulf Line to which my hon. friend referred, and two or three others. After three days of careful, protracted hearing by the commission on a number of questions, the commission came to the conclusion that those were the two lines which, because of the principles laid down by the commission, were entitled to a subsidy. They so found, and there will also be an item in the supplementary estimates covering the C.P.R. in the amount of $40,000.

Mr. Green: The Union Steamships is getting $345,000?

Mr. Chevrier: The same amount as last year.

[Mr. Green.]

Mr. Green: What inquiry was made into this question of Union Steamships Company spending all that government subsidy on the northern route?

Mr. Chevrier: A very full inquiry was made, and the decision rendered as I stated.

Mr. Green: Are their accounts in such shape that an examination can be made?

Mr. Chevrier: Yes, and the commission have auditors who examine the accounts and make a careful examination.

Mr. Green: Did the commission inquire into the practice of reducing rates on the routes where there is competition?

Mr. Chevrier: I am told it did.

Mr. Black (Cumberland): I should like to ask the minister if any headway has been made towards restoring the ferry service between Parrsboro and Wolfville. The people who have been served by this ferry for fifty years or more feel that they have been robbed of their rights, and that this government has been the robber. The people who have utilized this ferry for so long were glad to surrender their rights and have the boat, the *Kipawo*, taken for war purposes, although it was specially built for the ferry service. The subsidy was then cancelled, the only service of this kind in all Canada where this was done. The boat was taken to Newfoundland and sold, the proceeds of the sale being added to the consolidated revenue fund of Canada. This complaint has been before the government from time to time, and I should like to know what steps have been taken or are being taken by the government to see that this ferry service, which saves 150 miles of travel, is restored?

Mr. Chevrier: I have too much respect for the hon. member to even attempt to say anything that would be offensive, but I am sure that when he reads what he said a moment ago he will want to change it. He said that this service has been robbed, and the government was the robber. I do not believe he would want to leave that impression, because he knows as well as I do that there can be no action of that kind before an application is made by the contractor to the commission so that at least the commission may have an opportunity of determining whether or not, because of public convenience and necessity, the service is warranted, and the subsidy, if any, which should be granted. My hon. friend has brought this up before, and I have indicated to him that if an application is made to the commission by a contractor it will receive very careful attention. If he wants to send it to me, I shall see it

receives their usual consideration. Thus far no company or contractor has come forward for this service.

Mr. Black (Cumberland): I want to point out again that there was a special obligation on the minister and the government which cannot be overlooked, because they took that boat from this service, under the guise of war necessity, and did not restore it. They did not give the people interested an opportunity of having it brought back. Instead the boat was sold in Newfoundland at a considerable sum, which amount was turned over to the consolidated revenue fund of Canada.

Mr. Higgins: Mr. Chairman, I believe this question was answered some time ago by the minister, but I would appreciate it if he would answer it more fully at this time. It is in connection with the operation of the steamship *Eskimo*, owned by the government of Prince Edward Island. The premier of Prince Edward Island announced that so far as losses were concerned this vessel was being subsidized by the federal government. The vessel is in trade with Newfoundland, and it is in competition with the farmers of Newfoundland by reason of the fact that it brings farm produce to the island. Some time ago the minister announced there was no subsidy, but I should like him to confirm that in view of the positive statement of the premier of Prince Edward Island.

Mr. Chevrier: The position is the same, so far as I am aware. No application has been made to give any subsidy, and no subsidy has been granted.

Mr. Higgins: Will there be a subsidy?

Mr. Chevrier: There cannot be a subsidy until an application is made, and no application having been made the answer is the same as heretofore.

Item agreed to.

Canadian maritime commission—

527. To provide assistance for Canadian flag ocean shipping industry, $3,000,000.

Mr. Green: This is an item to provide $3 million for Canadian flag ocean shipping, as announced by the Prime Minister last year. I would ask the minister to explain to the committee whether the plan is to subsidize for one year or whether this policy is to be continued for a period of years. When the Prime Minister announced it on December 9, he said, as recorded on page 2981 of *Hansard*:

> The policy is to provide a subsidy not exceeding $3 million under which it is hoped that the owners of approximately forty of these ships—

That is the wartime cargo vessels.

> —will undertake to keep them in operation under Canadian registry and the Canadian flag for the year during which they will get a portion of the subsidy.

I wish the minister would explain his present plan.

Mr. Chevrier: Mr. Chairman, the Prime Minister made it quite plain in his statement of policy that the subsidization of these forty-odd ships was for a period of one year. There is nothing which would indicate that policy should be changed, certainly nothing of which I am aware. The Prime Minister's statement went on to say, as I have stated from time to time, that it was hoped because of this policy that at the end of the year these ships would be able to stand on their own and operate economically.

Mr. Green: There really is no possibility of the subsidy being continued beyond the end of this fiscal year?

Mr. Chevrier: No.

Mr. Green: How many ships are now getting that subsidy?

Mr. Chevrier: None.

Mr. Green: Can the minister tell us the names of the ships in respect of which the subsidy is paid, including the names of the companies?

Mr. Chevrier: I have already done that. It is in *Hansard* now.

Mr. Green: When the minister last spoke, the whole forty had not been picked.

Mr. Chevrier: What I stated was that no subsidy had been granted, and that is still the position today. It cannot be granted until this amount is voted. Applications have been made and have been approved. When this money is voted these thirty-five ships will be granted the subsidy, and there are some nine applications still before the commission.

Mr. Green: Are there still to be forty ships, or is that number to be reduced?

Mr. Chevrier: That is the intention, that there be forty.

Mr. Green: How many Canadian ships are now laid up?

Mr. Chevrier: Prior to this policy going into effect, there were forty ships laid up and there are nine now.

Mr. Green: About those ships that have been transferred to British registry, are the owners permitted to sell them, and if so are

sales subject to the tonnage replacement plan or just what provisions apply to those particular ships?

Mr. Chevrier: The owners are not able to sell them without the consent of the commission; and it is subject to the replacement plan, yes.

Mr. Green: The proceeds of any sale would have to be paid into the tonnage replacement fund?

Mr. Chevrier: Yes.

Mr. Green: Is there any change in the figures since the minister last gave his statement?

Mr. Chevrier: In what figures?

Mr. Green: The numbers of ships that have been so transferred.

Mr. Chevrier: I think I gave 93 at the time. There are 95 now.

Item agreed to.

Government-owned enterprises—
National harbours board—

557. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1950 on any or all of the following accounts: reconstruction and capital expenditures, Halifax, $1,655,000; Saint John, $282,000; Quebec, $520,000; Port Colborne, $176,000; Churchill, $321,000; generally unforeseen and miscellaneous, $200,000; total, $3,154,000; less amount to be expended from replacement fund, $130,000, $3,024,000.

Mr. Green: We have a problem which comes up under this item, Mr. Chairman. Within recent weeks a new charge has been levied in Vancouver harbour on the wharves. It is known as a wharfage charge. I asked the minister about that matter in the house on May 23, and he indicated that nothing could be done to change the provision, and that this new charge would have to apply. He went on to say that one reason it was being levied was that there was a similar charge in the northwestern United States ports, such as Seattle, Tacoma and Portland. But I do not think that is a good reason for levying a charge in a Canadian port.

According to the annual report of the national harbours board for 1949, Vancouver harbour showed a net income surplus of $122,057. The suggestion has been made to me that the harbours board should make some reduction in the cargo rates that are being levied in Vancouver harbour. Apparently those charges are not levied in any other harbour and they netted the national harbours board about $680,000 last year. I would ask the minister whether consideration could be given to a reduction in those cargo rates, particularly in view of the fact that this new wharfage charge has been levied.

Mr. Chevrier: I am sure that the hon. member will appreciate the fact that this decision to establish a berthing charge was not the decision of the national harbours board.

Mr. Green: They joined in it.

Mr. Chevrier: I will come to that. It was a decision of the B.C. wharf operators' association which comprises all the owners of wharves at Vancouver and New Westminster. The national harbours board is a member of that association but is not the owner of the majority of the wharves. It is true that the national harbours board joined in the decision. In other words, it was a unanimous decision.

Mr. Green: Why did they do that?

Mr. Chevrier: Because they were convinced that the arguments made by the association were such as to warrant the increase. Here is what it is, in case there should be some difficulty about it. While the berthing charges did not exist before on working ships, they did exist on ships that were idle in the harbour. The charge is five cents per linear foot of the wharf used for an eight-hour period, so it comes to fifteen cents a day per linear foot. In the case of an ordinary ship, it might mean about $60 per day. As to why it was brought about, I now state what has been given to me by the B.C. wharf operators' association as the reason for the increase. It was brought about because of the increase in costs, and also because of the fact that there had been no increase in these wharfage dues coming to the association over a period of forty years.

Mr. Green: It is terrible to change it now after forty years. I do not know why the government had to do it.

Mr. Chevrier: The government did not do it, and I am sure my hon. friend is not trying to create that impression. It was done by the association and an agency of the government which is one of the many owners and operators.

Mr. Green: The government is responsible for what the harbours board does—

Mr. Chevrier: Will my hon. friend allow me to complete my answer?

Mr. Green: Go ahead.

Mr. Chevrier: He has asked me a question and I am attempting to answer it; he interrupts me by asking more questions, thus making my task more difficult. What I am trying to say is that the national harbours board is one of fourteen owners and operators and they must take the responsibility for the action. A number of associations have

made representations to which I am giving consideration at the moment. I do not know what the decision will be, but from what evidence I have at the moment I would think it is going to be rather difficult to upset the decision that has been made.

Mr. Green: What about the cargo rates? The minister has not said anything about them. The national harbours board could reduce the cargo rates.

Mr. Chevrier: Yes.

Mr. Green: They are making money in Vancouver harbour and I suggest that that help should be given to the harbour.

Mr. Chevrier: They are making money elsewhere. They are making money in Montreal and in other harbours, and it all inures to the benefit of the harbours because it means that the harbours will get greater facilities and it will be much easier to finance the facilities and the additions and betterments which from time to time must be made to the harbours. But if it will please my hon. friend, I shall be glad to ask the board to take a look at the matter.

Mr. Green: The minister will have the board give consideration to a reduction in the cargo rate?

Mr. Chevrier: I shall be glad to ask them to consider whether or not it can be done.

The Deputy Chairman: Shall the item carry?

Some hon. Members: Carried.

Mr. Black (Cumberland): Does that mean, Mr. Chairman, that the whole appropriation in item 557 is to be carried without any further particulars being given? I should like the minister to explain the details of this appropriation of $1,655,000 for Halifax. I know it is warranted, but I should like to have particulars of it. I should also like to know the relative traffic that is passing through the port of Halifax this year in relation to recent years. I understand that the volume of traffic is most disappointing. First, I should like the minister to explain the details of this appropriation, reconstruction and capital expenditures, Halifax, $1,655,000.

Mr. Chevrier: That amount is for the construction of the new pier 3 and sheds at the deep water terminals. This project consists of the replacement of an old timber pile wharf and single-storey wooden transit shed by a modern reinforced concrete crib wharf. The amount to be expended upon that project is $1,640,000. The rest of the item is for a heating unit on pier 2.

Mr. Black (Cumberland): May I ask he minister if the contract has been let; and if so, to whom?

Mr. Chevrier: Yes. It has been let to E. G. M. Cape and Company. It was let on May 14, 1949.

Mr. Black (Cumberland): When is the contemplated work expected to be completed?

Mr. Chevrier: We hope it will be done some time in October or November of 1950.

Mr. Black (Cumberland): Can the minister give us some information as to the traffic passing through this important port, the best natural large port on the eastern coast?

Mr. Chevrier: Those figures can be found in the annual report of the national harbours board which was tabled here. It gives a fairly good indication of the traffic. My information is that the traffic is holding its own, or that is has been reduced by a small percentage only. The board and the government consider that Halifax is an important port and will certainly treat it as such.

Mr. Black (Cumberland): That report will apply only to traffic in the previous years. The minister is not able to make a statement regarding the current traffic?

Mr. Chevrier: It applies to the year 1949. The figures for 1950 are not yet available.

Mr. Black (Cumberland): Has the minister any information as to the relative traffic for this year in comparison with 1949?

Mr. Chevrier: Thus far it is down by 5 per cent or 10 per cent.

Mr. Brooks: I am amazed to find in this item such a small amount going to the city of Saint John. Halifax has $1,655,000. Of the five ports mentioned Saint John has the least with the exception of Port Colborne. Churchill has $321,000, and in item 560 another $203,000. It does seem a very small amount of money to be spending on such an important seaport as Saint John. Will the minister tell us what this money is being expended for?

Mr. Chevrier: On the contrary, we are spending a substantial amount of money at Saint John.

Mr. Brooks: You are?

Mr. Chevrier: Yes. The amount of $282,000 in the estimates now is for the remainder of the construction of the new Pugsley wharf for which there has been voted already $3,140,000.

Mr. Brooks: Is it not a fact that we have waited for that a good many years? The minister must know that.

Mr. Higgins: As the minister is aware, there is no national harbour at St. John's, Newfoundland or in Newfoundland. The provincial government has submitted a brief to the royal commission on transportation suggesting the establishment of a national harbour at Bay d'Espoir on the south coast of Newfoundland. I should like to tell the minister that it is an utterly impracticable place for every reason. If there is going to be only one national harbour it should be at St. John's where the bulk of the trade is carried on. If Bay d'Espoir is decided upon it will mean a cost of $9 million to connect with the railroad. That is the estimate of the manager of the Canadian National Railways, Newfoundland service. I do suggest to the minister that any suggestion by the provincial government or by any other body making Bay d'Espoir a national harbour in preference to St. John's should be disregarded.

Item agreed to.

Deficits—

Transport—

558. Amount required to provide for the payment during the fiscal year 1950-51 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport made from time to time by the national company to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1950, $1,159,000.

Mr. Diefenbaker: I wish to direct the attention of the minister to a matter that affects many thousands of employees of the Canadian National Railways. I dealt with this matter at some length on March 22 of this year, which may be found at page 1023 of *Hansard*, and set out the situation prevalent with regard to pensions to Canadian National Railways employees. I pointed out that in Canada there were 2,952 employees of the Canadian National Railways who are receiving upon retirement after thirty and forty and more years of service the amount of the basic pension, namely, $25 a month. That amount may or may not have been sufficient at the time the pension plan was set up; but today, having regard to the increased cost of living, it is unjustifiably low and meagre.

On the occasion to which I refer I asked the minister, as I have on a number of occasions since July 2, 1947, to bring to the attention of the board that administers the pension scheme of the railway the need of there being a substantial increase in that amount. Since bringing the matter up I have received many letters from the lodges of the various railway brotherhoods asking whether or not something could be done in order to increase this basic pension. I speak particularly of the employees in the lower income tax brackets who are unable to provide for themselves, and who, after years of service, find themselves receiving less as a retiring pension than do many of those retired by private business. I believe that the government as an employer through government companies should be a model employer. As I see it, the provision of $25 a month cannot be justified. Not a day goes by—and I do not want to overstate it—certainly not a week goes by, without some employee writing in. I hold in my hand a letter from a constituent of my hon. friend who has just interrupted. This is what you might call a coincidence because it came to hand today. It asks for consideration and points out that the writer, after having given 38 years' service, receives but $25 a month.

Mr. Blue: What is his name?

Mr. Diefenbaker: I will let my hon. friend have it. When I brought the matter up last time the minister stated—and I quote from his remarks at page 1025 of *Hansard* of March 22:

> I consider these matters of such importance that I do not think I can in a minute or two reply to the questions that my hon. friend has raised.

There were other questions in addition to the pension matter. I continue:

> My suggestion to him and to the committee is that perhaps I might be allowed to make a statement when my main estimates are up for consideration.

I would ask the minister now to make a statement on this matter which is of pre-eminent importance to the welfare of many thousands of Canadian National Railways employees, and in particular to those who, unable to make provision for their own pensions after retirement, find themselves in the position of having a reduced standard of living and having in large part but $25 a month upon which to live. Besides the fact that the amount is small, it places many of them in a position after five years, when they reach seventy years of age, of having too great an income to permit them to receive the old age pension.

Mr. Chevrier: It is a fact that when this matter was up for consideration on the supplementary estimates prior to the main estimates I did indicate that this matter was of great importance. I had hoped that there would be an opportunity of discussing it more fully. There was that opportunity on two or three occasions when the main estimates came up, but I think I can deal with it now, though not at as great length as I would like to.

The question of the basic pension being insufficient for employees of the Canadian National Railways is one which has been given careful consideration by the directors of the railway. In fact representations have been made by the brotherhoods suggesting increasing the basic pension, and the railways have given it careful hearing. They did, according to my understanding, establish an internal committee to deal with it, and I think reports were given to the directors from time to time. If my memory serves me correctly I believe that the president of the Canadian National Railways indicated in general terms only the position with reference to this subject when he gave evidence before the committee on railways and shipping. However it is a question which cannot, I think, be disposed of by itself.

There is not only the question of the Canadian National Railways employees under their own pension plan to be given consideration, but there are also other pension plans of the railways, such as the Intercolonial plan, and the plan in Prince Edward Island. The employees of the latter group have made representations to me and to the government on one if not more than one occasion to the end of increasing their basic pension which, according to them, was far too small.

Mr. Diefenbaker: What was the amount of their basic pension?

Mr. Chevrier: It is on the same basis as the pension plan of the Canadian National Railways. I told them on one occasion at least that the whole matter must be studied in the light of all superannuated civil servants who felt that they were in the same position, and in the light of owners and holders of government annuities, and the representations made by pilots in this country who feel that they should be entitled to a pension plan and have made representations accordingly, and in the light, too, of the report tabled today in respect of old age pensions and social security generally.

After having given the matter consideration the management of the railways wrote to the general chairman of the association of brotherhoods a letter, the last paragraph of which is as follows:

> After full consideration of the implications involved in respect of general policy, we regret to have to advise that we are unable to advance this proposal to the point where the expense involved could be included in our annual budget, which as you know, requires the approval of government and the authorization of parliament.

That letter was dated February 15, 1950. I think the president at that time was making the position quite clear in so far as the railways are concerned, and I have attempted in my present short reply to make the position clear in so far as the government is concerned, namely that it would be difficult to render a decision on this matter without also giving consideration to the whole problem. I hope that it will be possible to do it.

Mr. Gillis: Mr. Chairman, I am not going to follow up the matter introduced by the hon. member for Lake Centre because with the report of the committee on social security before the house I do not think it is proper for us to do that kind of thing. I rise at this time to comment briefly upon a reasoned article appearing in the Ottawa *Journal* in which we find a discussion of this whole matter of government-owned enterprises.

This article of recent date in the *Journal* carries the caption, "Government Lost $27,648,000 in Business", and states:

> Mr. Canada's business, as represented by government boards, corporations and railways, is closing the books on a poor year.
>
> The loss, as represented in the accounts of various government organizations, mostly for the year ending March 31, is somewhere near $27,648,000, according to figures in reports available to parliament today.

It should not be my job to bring this before the committee. I say government members should have picked it up, because the statement contained in this article is false and misleading. Certainly it does not reflect the true position of the organization to which reference is made. I like to give credit where credit is due. A number of organizations are mentioned here. These are under the jurisdiction of the government, and I say that not only have they done a good job from a financial standpoint, but they have done an excellent job from the standpoint of service.

I shall read further from the article just to show how it is juggled and made to mislead the public. I know that the people who own the Ottawa *Journal* and who write its editorials do not believe in government enterprise, but I think they should be at least honest when they write this kind of thing for public consumption. Under the paragraph headed "Bank of Canada Ahead" they say:

> Some institutions did very well—like the Bank of Canada, which reported a profit of $20,667,378. But the Commodity Prices Stabilization Corporation went in the hole $14,910,943.
>
> Eldorado Mining Company, plucking wealth in uranium and associated minerals from the Northwest Territories, produced a neat $1,335,399 profit for the government, but the national harbours board took it away again with a loss of $1,493,517.
>
> Nineteen organizations under government control, including the Canadian National Railways, produced a total profit of $36,723,842 and a loss of $64,371,884.

Would not someone outside the house reading that find it rather peculiar? It is stated here that while these corporations had a total profit of over $36 million, they had a deficit of over $64 million. It is hard to figure that

out. However, the propaganda is designed to discourage government enterprise. Then they go on to say:

In the profit column were these others: Farm loan board, $148,488; foreign exchange control board, $8,438,081; Northwest Territories Power, $63,681; Central Mortgage and Housing, $4,032,195; Canadian Patents and Development Limited, $73,452; Commodity Credit Corporation $234,352; Northern Transportation Corporation, $1,024,136; Polymer Corporation $403,542 and Sugar Stabilization Corporation, $303,228.

In the loss column were: Fish prices support board, $868,793; Export Credits Insurance, $34,515; Canadian National Railways, $42,043,026; Canadian National (West Indies) Steamships, $460,497.

My reason for getting up at this time is the same reason I have given on every other occasion when the totals for government enterprises—and there is a considerable number of them—are given. They did not have a deficit of $27,648,000 as indicated in this press dispatch. In the dispatch are lumped what are called the deficits of the Canadian National Railways, so that the whole operation is discredited. If that so-called deficit is taken out, the over-all operating profit of these businesses amounts to over $15 million. This $42 million that they bring in, for public consumption, as a deficit in the operations of the Canadian National Railways, is no such thing; and the newspapers of this country should be made to understand that. That is a fixed debt of interest on old bonds taken over from defunct railways and harnessed to the Canadian National Railways for years and years. They are old historic bookkeeping records.

I rise at this time to point out that most of the organizations set out in this press statement are service organizations and are not designed to amass profits. Seventy-five per cent of the organizations referred to in this press statement, such as the harbours board and the commodity stabilization corporation, are maintained by the government to give service to the people of Canada which they could not get from any other organization. I thought that particular press statement should be straightened out on the record of this house.

Mr. McLure: I have tried to point out to the minister on several occasions the difference between deficit and service, and this time I shall direct my remarks to his two officials in order that they may grasp the idea. The government owns the *Abegweit* and the *Prince Edward Island*, which are sublet to the Canadian National Railways, who operate them in fulfilment of a contract entered into with the province of Prince Edward Island in 1873. Why should this be shown as a deficit when it really represents a service that is being given? If there is a shortage as between the government and the subcontractors it should not appear against Prince Edward Island as a deficit. I cannot understand why the government persists in showing it in this way. If the officials will look up the meaning of deficit and service I think they will realize that it should not appear as a deficit. As long as it does appear in this way I shall bring it to the attention of the minister.

Item agreed to.

National harbours board—

560. To provide for payment to national harbours board of the amount hereinafter set forth to be applied in payment of the deficit (exclusive of interest on dominion government advances and depreciation on capital structures) arising in the calendar year 1950, in the operation of the Churchill harbour, $203,100.

Mr. Diefenbaker: To what degree is it expected the facilities at Churchill will be used this year?

Mr. Chevrier: I would think to the same extent as last year.

Mr. Diefenbaker: Two or three days ago the press carried an item to the effect that it was not expected that much wheat would be shipped through the port this year. If I remember correctly, it was intimated that only about 40 per cent of what was shipped last year would be shipped in the coming season.

Mr. Chevrier: When the discussion was had on this item earlier my information was that about five million bushels, perhaps more or less, would be shipped, an amount similar to that shipped last year. I have no different information today, but it is quite possible that there will not be that amount. It is difficult at this stage to say exactly what there will be. All I can say is that it is anticipated it will be about the same.

Item agreed to.

Marine service—

787. Nautical service administration—further amount required, $275,000.

Mr. Green: Apparently this is for further vocational training for the merchant navy men. The minister will remember that earlier in the session I asked him to relax the regulations applying to this training and I would be grateful if he would state whether he is prepared to do that.

Mr. Chevrier: This amount is exclusively for vocational training, and is in addition to the amount already voted in the main estimates for that purpose. The hon. member asked that I give consideration to relaxing the provisions of the order in council. I did

give consideration to that in a general way and I have to say that until such time as it can be ascertained what the effect will be of the shipping policy it will be difficult to relax the terms of the order in council. We feel that there is sufficient here to look after the position as it now stands. If it should aggravate itself, then I shall be glad to look at it again.

Mr. Green: Will any of this vote be used for the training of those men who served in the merchant navy but are not presently eligible or those younger men who joined the merchant navy since the war and who have lost their jobs because their ships have been transferred to British registry?

Mr. Chevrier: This vote is available to those in receipt of either one or other bonus and who apply for vocational training.

Mr. Green: It is still confined to those eligible under the old provisions?

Mr. Chevrier: Yes.

Mr. Green: How many men remain in the Canadian merchant navy?

Mr. Chevrier: At the end of 1949, 3,225.

Mr. Green: That was six months ago.

Mr. Chevrier: That is the position today, roughly.

Mr. Green: Quite a few ships have been transferred to British registry since then.

Mr. Chevrier: It will be some time before it will be possible to ascertain the actual number of seamen affected.

Item agreed to.

Marine service—

788. Marine service steamers, including icebreakers —maintenance operation and repairs—further amount required, $600,000.

Mr. Higgins: Is there going to be any extension of the icebreaking service? I am thinking particularly of North Sydney where many times during the year the ferry cannot get in and has to use Louisburg and more particularly Corner Brook, Newfoundland.

Mr. Chevrier: This item is to provide for the operation of two weather ships on the Pacific coast.

Item agreed to.

Marine service—

791. To authorize the write-off from active assets to consolidated deficit account of the balances of advances or loans made to the Halifax and Sydney pilotage districts, $8,359.

Mr. Black (Cumberland): Can the minister give some information with respect to this item?

Mr. Chevrier: This is for the operation of pilot ships and to provide for the purchase of a ship at Saint John.

Mr. Black (Cumberland): Will that be purchased by tender, or in what way?

Mr. Chevrier: That has not yet been decided.

Mr. Black (Cumberland): The contract has not been let?

Mr. Chevrier: No.

Mr. Black (Cumberland): What are the specifications? Is this to be a wooden vessel?

Mr. Chevrier: I should think it would be of about the same type as that in use at Saint John; 65 feet long, I am told.

Mr. Black (Cumberland): Will tenders be called?

Mr. Chevrier: I am not in a position to answer that question.

Mr. Black (Cumberland): In this connection I want to point out that at Port Greville, near Parrsboro, there is a shipbuilding yard as good as any now remaining in the maritime provinces. It has been in operation for a great many years, and has skilled, experienced workmen. The work put out by that yard is equal to the best; it is so good and reliable that inspectors are not required to examine and check it. There could be no question as to the quality of the work done there. There could be no question as to this yard being deserving, and no question as to the whole community being deserving of special consideration when this contract is let, since they have suffered through lack of employment and by the discontinuance of the ferry service. I would like some assurance from the minister that this yard will be given consideration and that the contract will not be let without tenders being called. I think that is the least we should expect, and the least the minister should be prepared to undertake.

The Deputy Chairman: Shall the item carry?

Mr. Black (Cumberland): I suppose it must, if I cannot get any assurance from the minister.

Mr. Chevrier: I am sorry, but I cannot give that assurance to the hon. member.

Item agreed to.

Marine service—

793. To provide for the construction of a general service workboat for use at St. John's, Nfld.—capital, $38,000.

Mr. Higgins: Would the minister outline what this item actually means?

Mr. Chevrier: It is for the construction of a small wooden general service workboat to work in ice for local lighthouse supply and buoy work in Newfoundland coastal waters, where required.

Mr. Black (Cumberland): I ask the minister a similar question with respect to this boat. Will it be built under contract, and will such yards as I have referred to be given an opportunity to tender?

Mr. Chevrier: That has not been decided yet.

Mr. Black (Cumberland): And the minister is not prepared to give any assurance?

Mr. Chevrier: That is right; I cannot give that assurance.

Mr. Higgins: Where is it proposed to construct this boat?

Mr. Chevrier: That has not yet been determined.

Item agreed to.

Marine service—

794. To provide towards the construction of a lighthouse supply and buoy vessel for the east coast (estimated cost $1,725,000)—capital, $103,000.

Mr. Black (Cumberland): The same questions would apply to this item.

Mr. Chevrier: No; this boat has been completed, and this is the last payment.

Mr. Black (Cumberland): Where was it built?

Mr. Chevrier: By Vickers.

Mr. Black (Cumberland): A steel boat?

Mr. Chevrier: Yes, and it is now in operation.

Item agreed to.

Marine service—

796. To provide for the construction of a general service workboat to be operated out of Parry Sound, Ont., agency—capital, $12,000.

Mr. Fraser: What is this for? It seems a small amount.

Mr. Chevrier: This is a small service workboat in the Parry Sound area.

Item agreed to.

Marine service—

797. To provide towards the construction of a lighthouse supply and buoy tender vessel for service at Victoria, B.C. (estimated cost $1,100,000)—capital, $100,000.

Mr. Black (Cumberland): What is this appropriation for?

Mr. Chevrier: This is the last payment on the *Alexander Mackenzie*, a ship for service on the west coast.

Item agreed to.

Marine service—

799. To provide towards the reconditioning and refitting of vessels for Pacific ocean weather station "P" and the expense of transporting vessels to station operating base—capital, $960,000.

Mr. Green: Will the minister explain this?

Mr. Chevrier: This is for the the cost of construction and reconversion of two weather ships for the west coast.

Mr. Green: Is that the total cost of the two ships?

Mr. Chevrier: Together with item 788 that is the cost of three ships, though one is going to be transferred from the east coast to the west coast.

Mr. Green: How many weather ships will Canada have on the Pacific?

Mr. Chevrier: One station and three vessels.

Mr. Black (Cumberland): These last three items were all to provide for boats on the west coast.

Mr. Chevrier: The last two; but there are several in there for the east coast.

Item agreed to.

Railway service—

800. To provide towards the construction of an auto-ferry vessel for service between North Sydney, N.S., and Port aux Basques, Nfld.—capital, $300,000.

Mr. Hatfield: Will this vessel take trucks, or is it only for automobiles?

Mr. Chevrier: My information is that it will include accommodation for motor vehicles, and I take that to include trucks.

Mr. Hatfield: How about the car ferry from Yarmouth to some point in Maine? Has that been put into service yet?

Mr. Chevrier: Far from having been put into service, the matter has not been finally determined. The general policy has been laid down in accordance with the statement I made in the house some months ago. At that time I indicated that a committee of representatives of the Canadian National, the province of Nova Scotia, the Canadian maritime commission and others would be established to decide upon the terminals and the plans and specifications.

Mr. Hatfield: The terminal in Maine has not been decided yet?

Mr. Chevrier: Not yet.

Mr. Hatfield: How about having that boat call at Saint John?

Mr. Chevrier: That has been given consideration by the committee.

Mr. Higgins: Would the minister mind giving me a few details as to the specifications of

this boat? I have already thanked him for making provision in the estimates for it, but I should like some further information. I presume this is the first payment?

Mr. Chevrier: All I can say is that this is to provide a sufficient amount for the plans and specifications for the construction of this ship.

Mr. Higgins: When would you expect it to be completed?

Mr. Chevrier: I would not think before the end of 1951, and that is conjecture.

Mr. Higgins: Has the minister any idea of the size or anything of the kind?

Mr. Chevrier: Not yet.

Mr. Black (Cumberland): Is this to be a wooden or steel vessel?

Mr. Chevrier: That has not been determined, but since it is an automobile ferry I should think it would be built of steel.

Mr. Hatfield: Has any consideration been given to a car ferry from Sydney to Newfoundland, the same as we had operating to Prince Edward Island before the wide gauge was put on the island? They had a car ferry that took the large cars over and then transferred goods from the small cars on the island. That saved a great deal of expense in handling goods.

Mr. Chevrier: I am sorry to say that matter has not been considered.

Item agreed to.

Railway service—

801. To reimburse the Canadian National Railway Company for expenditures to be incurred for a special railway maintenance work program in the province of Newfoundland, $750,000.

Mr. Higgins: Would the minister give a few details on this?

Mr. Chevrier: This is to provide additional employment in Newfoundland by way of a special railway maintenance work program which will be carried out by the Canadian National during the summer and autumn months of 1950.

Item agreed to.

General—

803. To provide for the expenses of the royal commission on national transportation—further amount required, $94,545.

Mr. Diefenbaker: What has been the total cost of the royal commission to date?

Mr. Chevrier: $277,835.

Mr. Diefenbaker: Is it anticipated that this amount of $94,545 will be sufficient to complete the work of the commission?

Mr. Chevrier: I have no assurance, but I hope it will.

Item agreed to.

Air service—

Civil aviation division—

Airways and airports—

804. Construction and improvements, including radio facilities—capital—further amount required, $1,101,000.

Mr. Green: On May 26 I asked the minister whether any money would be provided this year for extending the runways at the Vancouver airport in order that trans-Pacific planes could be adequately served there. At that time he said he would give the matter consideration, but he was not sure whether there would be anything included in the supplementary estimates. Is there any money included in this vote of $1,100,000 for that purpose?

Mr. Chevrier: No, there is not.

Mr. Green: Is there to be anything done during this fiscal year about those runways?

Mr. Chevrier: I would not say there is to be nothing done about them, but there is no money provided in these supplementary estimates.

Mr. Green: Is there money provided in any vote?

Mr. Chevrier: No, there is not.

Mr. Green: I do think that might be quite serious, in view of the situation in the Pacific.

Mr. Chevrier: I can assure my hon. friend that I am familiar with the position; I know the implications of it. I have seen at least two groups from Vancouver who have made representations to that effect, and I have told them what the position was, part of which I have already put on record. I can only say I am sorry there is no item in here to provide for that.

Mr. Green: Is there any way by which that work could be commenced during this fiscal year?

Mr. Chevrier: I hardly think so.

Mr. McLure: Is there an amount in this vote 804 covering the Charlottetown airport?

Mr. Chevrier: No. There is no amount provided for the Charlottetown airport here, but there was in the main estimates. There is nothing in the supplementaries.

Mr. Higgins: I asked the minister some time ago about the lengthening of the runways at Gander. He told me it was not the intention to lengthen the runways this year at least. I would ask him to reconsider that

decision because of the facts that have come to my attention recently, and which I have drawn to the attention of the Minister of National Defence.

As a result of the seepage of water last fall the runways were heaved by the frost during the winter, and they are now in very bad condition. They have been dug up in several places and resurfaced, and the whole runway system now resembles a patchwork quilt. Heavy planes like the Boeing are unable to take off from Gander except when the temperature is under 40 degrees, and that does not happen too often at this time of year. On one occasion during the past few weeks one of these heavy aircraft had to dump 1,500 pounds of cargo before it could take off. That seems to me a rather impossible situation at an airport such as this, and I wish the minister would look into the matter.

Mr. Chevrier: I shall be glad to take a look at it.

Mr. Black (Cumberland): Would the minister advise what airports are included in this amount of $1,101,000?

Mr. Chevrier: There is a long list of small items for various airports which would be too lengthy to put on the record. There is Fort Smith, $10,000; Goose Bay, $10,000; Lethbridge, $22,000; Norman Wells, $10,000 and Prince George, $30,000.

Mr. Black (Cumberland): Perhaps the minister could put them on the record.

Mr. Chevrier: I would rather not do that. Perhaps I should state to the hon. member that there is an item of $70,000 for Fredericton, and there was a provision in the main estimates for substantial expenditures in the maritime provinces.

Mr. Hatfield: Will this amount be used for the extension of the Fredericton airport?

Mr. Chevrier: It is for the construction of a radial range being transferred from Blissville to Fredericton.

Item agreed to.

Civil aviation division—

806. Contributions, subject to the approval of the governor in council, to assist municipalities to improve existing airports or to provide new airports, the sites of which have been provided by such municipalities—further amount required, $127,000.

Mr. Herridge: I am not going to detain the house long. I have been quiescent throughout the minister's estimates, but I do want to mention one subject which I missed on the main estimates because I was called to British Columbia in a hurry. I am concerned about assistance to the municipal airport at Castlegar which is owned by the city of Nelson and the villages of Castlegar and Kinnaird. I think the minister and his officials are well acquainted with the situation. It is a most important airport so far as the southern interior is concerned. I believe it deserves special consideration, because the local people have done a lot themselves. I am not going to read the details, but the local people and the Canadian Pacific Air Lines since 1945 have spent a total of $12,495. Of course, the Canadian Pacific Airlines has spent the larger amount of that. I think they have petitioned the minister for assistance, and I understand they require a minimum of about $35,000 to do the necessary work to put this airport in first-class condition. There is the grading of the north end of the field, $25,000; gravelling the taxi strip at the edge of the field, $10,000; new construction for extension at south end of field, $5,000.

I brought this matter up when I first came to Ottawa, and discovered then that the government did not assist airports not owned by municipalities. I suggested the people should get a municipality to own it, and they have done that. They have regularized everything, so that all that is necessary is for the minister to include an item in his next estimates.

Mr. Black (Cumberland): This item of $127,000 covers assistance to municipalities to improve existing airports. When this subject was being discussed on the main estimates, I pointed out the position of the Amherst airport. I am not going to repeat what I said at that time, except to advise the minister that I sent a copy of *Hansard* to the mayor of the town of Amherst. I had a telegram from him, which unfortunately I have not with me at the moment or I would read it into the record, stating positively that the town of Amherst had never taken over this airport from the department after the close of the war. This is in direct contradiction to what the minister said was his understanding. Some minor repairs are necessary, and it is urgent that they be undertaken or the airport will deteriorate rapidly. The town certainly desires, in view of what it has done heretofore, that the department shall not allow this airport to deteriorate to a point where it would not be useful. All I am going to do is to ask the minister if he will give special consideration to the communication from the mayor of Amherst, which I shall send him, and let the mayor know just what the department is able to do.

Mr. Chevrier: If the hon. member will send me the correspondence he has received from the mayor, I shall be glad to give it my attention.

Mr. Hatfield: Will the minister say if it is the intention of the department to complete the Fredericton airport this summer?

Mr. Chevrier: This vote provides for assistance to municipalities.

Mr. Hatfield: Is that not a municipal airport?

Mr. Chevrier: Fredericton is covered by a separate vote which was approved in the main estimates.

Item agreed to.

Civil aviation division—

807. Contribution to the South Pacific air transport council as Canada's share towards the maintenance and operation of air transport facilities in the south Pacific—further amount required, $112,500.

Mr. Knowles: When the corresponding item on the main estimates was before us, an amount of $112,000, the minister indicated that this was for the purpose of paying towards the maintenance and operation of air transport facilities in the south Pacific, and that the only Canadian line making use of those facilities was the Canadian Pacific Air Lines. Is that still the case, and what is the reason for the increase of this figure from $112,000 to a total now of $224,500?

Mr. Chevrier: Yes, Mr. Chairman, by virtue of an understanding or undertaking given by Canada at the South Pacific Air Transport Council, it was decided that we would pay a portion of the costs of maintenance and operation of air transport facilities in the south Pacific. Along with Australia, New Zealand, Fiji and the United Kingdom, we were assessed a certain amount. When the main estimates came forward, it was not determined what the full amount was. When the main estimates came forward all we had was the current expenses. They amounted to $112,500. This is for the other.

Mr. Knowles: The other was $112,000.

Mr. Chevrier: It is the same as this, I am told.

Mr. Knowles: I am sorry, but the other was $112,000; that is item 509.

Mr. Chevrier: And so is this.

Mr. Knowles: This one is $112,500.

Mr. Chevrier: It is the same amount.

Mr. Knowles: I will not fight with you about it. There is $500 difference, though. That is still a lot of money to me.

Item agreed to.

Radio division—

810. Administration of the Radio Act and regulations—further amount required, $59,520.

Mr. Fraser: We have to buy radio licences for our cars. From people who have to travel some distance over the highways I have had a number of complaints that there is a constant leak from the power lines along the highways. Is there any way the minister's department checks into that matter? Is there anything that can be done about it?

Mr. Chevrier: Yes. That is provided for in a vote in the main estimates, radio interference. If there is any particular case that my hon. friend has in mind, and he will bring it to my attention, I will see that it is investigated. But it is not covered in this vote.

Mr. Fraser: I think that all the minister has to do is to turn on his radio when he is travelling along where the power lines come near the road, and he will have trouble without my telling him any more about it.

Mr. Chevrier: I am not in the fortunate position of having a radio in my car.

Mr. Fraser: The minister evidently knows what it is; where you come to a power line, the radios are no good.

Item agreed to.

Radio division—

811. Telegraph and telephone service—construction and improvements—further amount required, $38,650.

Mr. Higgins: Has the minister received any request for the establishment of telephonic communication between the island of Twillingate and the mainland of Newfoundland? I refer to an application from a private corporation.

Mr. Chevrier: I receive hundreds of applications. I may well have received it and not have it before me at the moment. But I shall be glad to inquire.

Mr. Higgins: At Twillingate, which is the home of the hon. member for Grand Falls-White Bay, one of our larger hospitals is situated. There is now only telegraph communication, and I believe the company that is formed proposes to establish telephone communication. There is merely the little matter of competition with the C.N.R. telegraphs. The hospital is so important, serving 40,000 people, that I suggest that when the minister gets the application, if he has not already received it, he give it every consideration, because it is an important matter.

Item agreed to.

Canadian maritime commission—

812. Mail subsidies and steamship subventions, as detailed in the estimates—further amount required, $122,000.

Mr. Green: To what company on the west coast is the $40,000 of this subsidy paid?

Mr. Chevrier: Union Steamships.

Mr. Green: The full amount of $40,000?

Mr. Chevrier: I am sorry; I have not the detail before me, but I gave that on the original estimate when it came up a few moments ago.

Mr. Green: It is the service from Victoria to the west coast of Vancouver island, and I do not think they have a ship on that run.

Mr. Chevrier: This is for an additional $40,000 to Union Steamships.

Mr. Green: That means a total of $385,000?

Mr. Chevrier: That is right.

Mr. Green: Can the minister give us any details of this particular service?

Mr. Chevrier: I am sorry, but I have not the supplementary estimates here. I know I should have them. I thought I had them. I can give my hon. friend the details; perhaps he will allow me to send them to him. Oh, I am sorry, but I was in error. The subsidy is altogether $40,000 to the Canadian Pacific Railway Company.

Item agreed to.

Loans and investments—National harbours board—

819. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1950 on the following account: reconstruction and capital expenditures—Montreal—further amount required, $300,000.

Mr. Black (Cumberland): There is $300,000 in this vote?

Mr. Chevrier: Yes.

Mr. Black (Cumberland): What is this for?

Mr. Chevrier: This is to pay for the structural steel purchased directly by the board for the shed in Montreal harbour.

Mr. Black (Cumberland): If this is the last item, I have one question to ask the minister arising out of the main estimates. I asked him what had been the total cost of dredging the main channel of the St. Lawrence, and he was not able at the moment to answer me. I could well understand that. But he said he would get the information and give it to me later. I should like to have it. It would not include the actual dredging or improvement in Montreal harbour, but I wanted it for the main channel.

Mr. Chevrier: That information has been obtained for me, and I thought I had it in my files, but unfortunately I have not. I am afraid I shall have to ask my hon. friend if he will allow me to send it to him by mail.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

259. General administration, $1,687,155.

Hon. J. J. McCann (Minister of National Revenue): Mr. Chairman, this appropriation of the Department of National Revenue is for the sub-department of customs and excise divisions. The total amount requested in the four customs-excise votes for 1950-51 is $20,886,229, an increase of $1,560,628 over the amount requested last year.

Of the total amount requested, 82·8 per cent represents salaries, and the increase over last year's estimates is due to higher salary costs. As regards non-salary items, we are budgeting for an over-all reduction of $105,888 compared with last year, but the higher salary costs result in the net increase of $1,560,628 mentioned previously.

The principal function of the customs and excise divisions is the collection of revenue—customs and excise duties and taxes. It is of interest that our pre-war net customs-excise revenue in the year 1938-39 was $292 million, while our estimates for that year totalled $9,861,000. This year our estimates total a little over twice as much as they did in 1938-39, but our net revenue for 1949-50 of $1,019 million represents an increase of over three times the pre-war customs-excise revenue. In addition to the increased revenue collected, there has been a marked increase in administrative volume, since customs and excise has had to take on work connected with foreign exchange control, import quotas, et cetera, which have materially increased the work load. All this has been accomplished with a staff increase of less than forty per cent over the pre-war period.

Mr. Fleming: There is a matter which I should like to bring to the attention of the minister, if indeed it has not already been brought to his attention. It has to do with the customs service for the city of Toronto, and the methods now followed of selling goods that have been placed under seizure. According to my information the methods now being followed are not efficient, and are not yielding the full value that could be realized on the sale of goods. There was a time when goods were sold at auction by true auctioneers who gave adequate publicity to the sale. According to my present information that method was abandoned some time ago as a result of some patronage difficulties that the government encountered, and now the sales are simply carried through by members of the staff of the department who are not qualified as auctioneers.

Here is a situation where more money could be yielded to the public treasury if efficient methods were followed in realizing the utmost possible on goods under seizure. I would ask the minister to look into this matter, and give it his personal attention because, according to the information I have, much more could be realized on the sales if efficient auctioneering methods were followed.

Mr. McCann: I had not any knowledge that the method of disposal of seized goods had been changed. Notice of the auction is given to the public press and the goods are sold by auction. It may well be that there is a difference in the classes of auctioneers. Some auctioneers may be able to get a better price for goods than others, but the best possible price is realized when goods under seizure are disposed of. However I shall be glad to look into the suggestions of the hon. member for Eglinton, and if the method is not up to date we shall bring it up to date.

Mr. Fulton: If I may, I should like to express to the minister my own personal appreciation, and I am sure my feeling is shared by others, of the statement that he gave us at the introduction of his estimates. It is very helpful to hon. members and to the whole country to understand the scope of operation of a department and some of the reasons for changes, if changes should be made, and I hope that the habit will spread to others besides the present minister.

What I want to ask is I think perhaps best asked on this item, although if there is another item on which the minister would prefer to have me bring it up I shall be glad to do so. It has to do with the question of space being acquired or arranged for by the Department of National Revenue in the various cities across Canada. As I understand the practice, it is that the department indicates to the Department of Public Works what space is necessary and the arrangements for the space are actually made by public works. Is that correct?

Mr. McCann: Yes.

Mr. Fulton: In the case of rented premises who pays the rental, public works or national revenue?

Mr. McCann: I think, Mr. Chairman, certainly in the case instanced by the hon. gentleman, the rent would be paid by public works as a matter of general policy, since public works supplies the buildings that are required by other departments. If the Department of Public Works supplied a building to the Post Office Department the post office would get it free; but if they supplied the space I presume they would pay the rent. It really does not make an awful lot of difference because it has to come out of the same pocket, but it may be charged to a different department. The department in question would ask for an appropriation to meet that amount.

Mr. Fulton: I think it might make some difference in keeping what is obtained strictly in line with what is required. If the department had to pay its own way and showed that rent as a charge or as a dispersal it might make a difference. What inquiries are made when the Department of National Revenue requisitions, as I think it is called, for space with the Department of Public Works? What inquiries are made as to whether the actual amount of space asked for is in fact needed and occupied? Can the minister say what the relationship is between the two departments?

Mr. McCann: Yes. Our needs are made known to the Department of Public Works. Just at the moment we are discussing the matter of customs and excise. I presume the hon. member's question refers to customs houses. In a growing community we would be guided by the amount of business in that particular community. With reference to the location, if we are near a harbour the proper place for a customs house is in the vicinity of where your business is. In some localities along the United States-Canadian border, where there are crossing points, we build a number of these places ourselves. All of these matters are given consideration, and most are made known to the Department of Public Works, and they say as to the amount of space, accommodation and refinements and the like that are needed.

Mr. Low: Can the minister tell the committee what is being done to inform Canadian tourists travelling in the United States about restrictions on materials that they may bring in from the United States?

Mr. McCann: When they get the passage card or permit, if they are driving a car out, that information is usually printed. I think the information is pretty well known that after a stay of forty-eight hours a Canadian citizen coming back from the United States can bring in goods to the value of $100, and that that cannot be repeated within a period of four months. Where many people make a mistake is that they do not make a declaration of these goods when they are asked. Even if they bring in $90 worth of goods they are supposed to make a declaration. They are asked by the customs officials probably two or three times if they have anything to declare. If they say no, and a seizure is made, the

goods become the property of the crown. They can be fined for a breach of the Customs Act and the vehicle in which they bring the smuggled goods can be confiscated. As I say, these regulations are generally known. In case they are not known we print the information and it is clearly exposed at all the customs houses. In addition to that, on the permit which they take out with their car the information is given.

Mr. Low: Trouble arises sometimes when people do not know that there are prohibited goods. I am just wondering whether anything is done to inform them of that when they get their permit. Are they told that there are certain things they cannot bring back? As I understand, there are certain electrical goods that they cannot bring back even if they purchase them for less than $100.

Mr. McCann: Under $100 I think there is nothing prohibited. Any person who is travelling from Canada to the United States and who has not that information can easily get it at the customs houses.

Mr. Fraser: The minister said that nothing is prohibited. If a man brought in a commercial toaster for which he paid $99 it would be prohibited.

Mr. McCann: Under the act it is for personal use, and in baggage which can be carried.

Mr. Fraser: I think that is what the hon. member wanted to get across. You are not allowed to bring commercial goods into the country free.

Mr. McCann: That is true. It is for personal use.

Mr. Catherwood: I understand there are some changes in the regulations as to a farmer charging profits and losses to a succeeding year. I wonder whether the minister will explain that.

Mr. McCann: I think the hon. gentleman is confusing the taxation division with customs and excise. I would ask him to wait until the taxation division is called.

Mr. Fulton: Could the minister tell us what the guarantee fund is? In the details for the customs and excise divisions there is a comparatively small amount for the guarantee fund. Is that a fund to guarantee against wrongful action of customs inspectors, or something like that?

Mr. McCann: That is right.

Mr. Fulton: How is it accumulated, where is it held, and what sort of offence would it cover?

[Mr. McCann.]

Mr. McCann: It covers defalcations of an officer collecting money.

Mr. Fulton: A sort of insurance fund to reimburse the treasury?

Mr. McCann: Yes.

Mr. Fulton: Would it apply to reimburse a person duties wrongfully charged by a customs officer?

Mr. McCann: No, that would be done by remission.

Mr. Fulton: What were the expenditures in the last year for travelling in connection with the administration item?

Mr. McCann: The amount spent under that item was $24,977.

Mr. Fulton: What is the total of the guarantee fund? Is it carried from year to year, and is it cumulative?

Mr. McCann: The guarantee fund is $13,900.

Mr. Fulton: Is that under the administration item?

Mr. McCann: No, under that item it is $300; under inspection it is $1,600; and under ports it is $12,000.

Mr. Fulton: Is the fund cumulative and carried forward with additions from year to year? Is there a larger total fund than that shown in this year's estimates?

Mr. McCann: No, this is like paying an insurance company. This is to reimburse the department for any loss sustained through defalcations of employees.

Mr. Fulton: What does treasury board do with this? Let us suppose that $13,000 comes in, and there are defalcations of only $1,000, or none at all; next year another $13,000 is put in.

Mr. McCann: Yes.

Mr. Fulton: Is that held in treasury board as a separate fund?

Mr. McCann: No, the surplus goes back into the consolidated revenue fund.

Mr. McLure: I notice the total we are asked to vote for the Department of National Revenue is $51,950,979. Out of this amount 26 per cent or $13,485,000 is given to the department as a blank cheque for the payment of temporary employees. We have had no breakdown of that amount, except as to the number of employees. We have never had that information before. In another year I would ask the department to give us details of this large amount. For instance, they could tell us whether there were ten or fifteen clerks at $5,000 each, and so many

more at $4,000, the same as they do in connection with permanent civil servants. That would give us some idea of where this amount, which is more than a quarter of the total vote, goes. One could then find out how many of those temporary employees have been in the service for a good many years and have never been made permanent.

Mr. McCann: Before we proceed further may I point out that the hon. member is referring to the estimates of all branches of this department. There are two distinct sections, that having to do with customs and excise, with which we are now dealing, and the other dealing with the taxation division. The total appropriation for the customs and excise divisions is $20,886,229—and not $50 million, as the hon. member indicated.

Mr. McLure: I was referring to the total for the whole department.

Mr. McCann: If the hon. member would turn to the details at page 191 he would find information concerning salaries both below and above $5,000. He will see reference there to the deputy minister and to the assistant deputy ministers. If there is any further information the hon. member wishes to have, I can supply it.

Mr. McLure: I am asking for information about temporary assistants.

Mr. McCann: This gives the salaries of permanent employees but it lists the number of permanent and temporary employees.

Mr. McLure: But it does not give any information about the temporary employees, other than the number of them.

Mr. McCann: It does not give detailed information with respect to the salaries of temporary employees, that is right.

Item agreed to.

Customs and excise divisions—

718. Ports, outports and preventive stations, including pay for overtime, notwithstanding anything in the Civil Service Act, and buildings and rentals for temporary purposes—further amount required, $255,557.

Mr. Fleming: Would the minister explain this item?

Mr. McCann: The details are given at page 29 of the further supplementary estimates. There are additional salaries for permanent employees amounting to $19,340, and for temporary assistance $112,785. In the summertime when the tourist trade is at its peak it is necessary to employ a number of people temporarily at border points. Students and others are given the opportunity to do this work. These two items I have mentioned total $132,125. Then we require $50,000 for stamps and labels, principally excise stamps to be placed on tobacco and liquor. Then there is an item for the acquisition or construction of buildings and works, including the acquisition of land, to an amount of $73,432. All these items total $255,557.

This item for the acquisition or construction of buildings and works is here because in small places, with buildings costing less than $5,000, the department has the authority to go ahead with construction, on tender.

Mr. Fleming: This would seem to be an addition to item 261. Where are these new buildings to be erected? If there is a large number of them, would he indicate the number and give some idea as to their distribution?

Mr. McCann: There are to be two additional buildings at Little Gold Creek in the Yukon, and they will cost $25,000. Then there is an amount in the new housing item to be spent at Gander, where we expect to construct six units, and at Goose Bay four units. At Sandspit, British Columbia, there is one; at Armstrong, Quebec, seven. Those are for housing for our employees and the total is $54,000. Then at Chief Mountain, Alberta, three. That is the housing program for this year, totalling $279,000, with the additional supplementaries. It includes the construction of ten temporary buildings and residences at border points, $150,000, plus the ones I have mentioned. In addition, Fort Nelson, $18,000 and Grand Falls, $10,500.

Item agreed to.

Taxation division—

263. General administration, $1,778,855.

Mr. Fulton: Is the minister going to make a statement on this item similar to the one he made on customs and excise?

Mr. McCann: Mr. Chairman, this part of the estimates has to do with the other division of national revenue known as the taxation division. Hon. members might be assisted in their consideration of the estimates of the taxation division, Department of National Revenue, if I made a few remarks regarding the larger items:

Reference to the estimates—page 35—will show that the total amount required is $29,288,350. This compares with the estimates for the year 1949-50 of $31,315,212, with actual expenditures for the year 1949-50 of $28,029,214.

Of the $29,288,350 required, $25,330,550 represents salaries and the salary item compares with actual expenditures for 1949-50 of $24,891,263. There has been a major change in the composition of the salary item. When the last report to the house on estimates was made I said that the staff at

October 31, 1949, consisted of 10,963 persons. At the end of May, 1950, this figure had declined to 10,477, composed of 5,231 permanent employees and 5,246 temporary employees. At the end of March, 1949, there were 11,704 employees, of whom 2,773 were permanent.

The estimates before you provide only for positions occupied at the time the estimates were prepared and a small number of student assistants, 210, taken on in the various district offices for the summer to assist in clearing peak-loads of work. There is a steady, continuing shrinkage in staff due largely to the introduction of new methods and procedures and to the fact that, through prodigous efforts last year, the great backlog of work accumulated during the war has been cleared. I am unable to forecast accurately what the ultimate shrinkage in personnel will amount to, but I am satisfied that it will be substantial and I hope that, by the end of the current fiscal year, I shall be in a position to make a more realistic statement as to the level at which the staff will tend to become stable.

Hon. members will be interested to know that as of this date all assessments for 1948 and prior years have been made, with few minor exceptions which have arisen for reasons outside the control of the department. I should also add that a very substantial part of the returns filed for the year 1949 have also been assessed and that practically all refunds arising from overpayments of 1949 taxes have already been made to the taxpayers. The comparable inventories of all unassessed returns on hand at May 31 were as follows:

May 31, 1949	3,398,682
May 31, 1950	772,591

Of the inventory on hand at the end of May 1950, practically all are 1949 and 1950 returns, whereas a substantial part of the inventory on hand at May 31 last year consisted of returns for 1948 and prior years.

It should be added that reductions in staff do not necessarily represent comparable reductions in dollars because there are promotions, reclassifications and salary increases occurring constantly. These are very carefully screened by the department, the civil service commission and treasury board.

The second largest item to which I should like to refer briefly represents printing, stationery and equipment for which submission is made for $1,605,000. This compares with $1,610,000 in the estimates of 1949-50 and actual expenditures of $1,258,078. Included in the estimates is an amount of $188,980 covering accounts for the 1949-50 year not rendered until after the end of the fiscal year. Expenditures under this item consist largely of stationery and forms. As hon. members will understand, the consumption of forms is enormous. In addition to millions of personal returns, there are information returns and departmental forms of various kinds required in head office and district offices of the department in the handling of the large sums for the collection of which the department is responsible. Considerable progress has been made in eliminating unnecessary forms and in simplifying those in use. There has, however, been a constant increase in the cost of getting forms made. This work is handled through the office of the king's printer and I am satisfied that the greatest care is exercised in ensuring that the work is done at the lowest possible cost to the crown.

The third largest item in the estimates is travelling expenses. Figures for travelling are as follows: In the estimates of 1949-50, $1,015,500 was voted. The actual expenditures for that fiscal year were $604,708. The amount requested this year is $900,000. The amount of travelling done by officials of the department is governed almost entirely by the amount of field work done. To ensure equitable administration of the tax legislation involves a considerable amount of field work. While travelling expenses may appear to be high, I am satisfied that this amount is fully justified by the results of the work done by the officers of the department who are required to travel.

The next largest item is postage. This represents postage at the district offices. The district office postage cost covers largely communications with taxpayers, including a substantial amount of mail required to be registered. No important reduction can be anticipated in this item.

The next item to which I should like to make brief reference is legal costs. It was estimated for 1949-50 that these costs would amount to $200,000. The actual expenditures were $165,000. The amount requested this year is $200,000. The increase over the actual expenditures is due to the fact that the department expects to spend more this year in collecting overdue accounts. A program has been undertaken to ensure that taxes for 1949 and prior years will have been collected in full by the end of March, 1951. The public might as well have that known at this time. This is now possible because the assessing for those years has recently been completed and it is felt that collections must be brought into line with assessing.

I should like to add a brief word on publicity. The department's advertising costs, except for a small amount for newspaper notices, are entirely those expenditures made

by way of radio and street car advertising in the spring of each year, advising taxpayers of the requirements for filing returns and endeavouring to persuade taxpayers to get their returns in early. This publicity is of assistance to the public and at the same time accelerates the flow of returns, which means that the returns can be dealt with more efficiently in the district offices.

With the very able assistance of the comptroller of the treasury and his officers, the handling of refunds of overpayments was greatly expedited this year. Between February and June 9, some 1,599,810 cheques for $44,473,335 were issued to individual taxpayers, representing overpayments of 1949 taxes. On March 31, some 8,137 cheques for $52,436,515 were issued to corporate taxpayers, representing the refundable portion of the 1944 excess profits taxes. Those two figures give a total of $100 million which was returned promptly to Canadian taxpayers in that period.

There are still in the hands of the department some 76,665 cheques payable to individual taxpayers in respect of the refundable portion of taxes. Claims for these cheques are still coming in, but at a diminishing rate. Those cheques which have not been delivered by the end of the current fiscal year will be returned at that time to treasury for cancellation.

During the fiscal year which ended March 31, 1950, some 33,395 individual taxpayers received interest of $87,040.87. This is the first time this item has appeared in departmental accounts, following the new provisions in the Income Tax Act. The smallness of the amount in relation to the refunds made is an indication of the speed with which overpayments are now being restored to the public.

I should like to place on record a short statement of comparative costs of collecting, by districts. The hon. member for Greenwood, who is not present, asked me a day or so ago if this information could be provided by provinces. That cannot be done, because some districts such as Ottawa, for example, take in portions of two provinces. The table is as follows:

Department of National Revenue
Taxation Division
Collection cost

District	1948-49 Cost per $100 collected	1949-50 Cost per $100 collected
	$	$
Newfoundland	....	2.40
Charlottetown	5.16	5.86
Halifax	2.92	3.18
Saint John	2.34	3.00
Sydney	3.56	5.77
Quebec	2.35	3.33
Montreal	1.60	1.62
Sherbrooke	1.83	5.13
Ottawa	2.15	2.29
Kingston	3.35	4.93
Belleville	3.46	4.27
Toronto	1.15	1.15
Hamilton	1.72	1.73
London	1.31	1.51
Fort William	1.63	2.53
Winnipeg	1.85	2.03
Regina	3.13	3.15
Saskatoon	4.69	4.56
Calgary	2.29	1.97
Edmonton	3.36	3.33
Vancouver	1.62	2.02
Yukon	2.90	2.86
District totals	1.71	1.86
Head office and other undistributed costs including printing and stationery	.34	.30
Total	2.05	2.16

The explanations I have given are for the purpose of helping hon. members to understand the estimates. I shall be glad to give any further information which may be required.

Mr. Fulton: Once again I would like to express appreciation of this quite complete statement by the minister on the operations of the department, which in addition to being informative is actually a very interesting survey of the work of the taxation division. I have just one or two comments arising out of the statement. The first has to do with the amount of overpayments refunded to individual taxpayers; I believe $44 million was the figure mentioned. In that connection I think the department is entitled to a word of commendation from those of us who are sometimes critical of the work it has done in catching up with overdue assessments. I do feel that a tremendous effort has been made by the minister, and I think those of us who have urged that this be done should express our appreciation.

It seems to me the amount of the refund of overpayments would perhaps justify some of the criticism that has been directed not to the minister but to his colleague the Minister of Finance in connection with the penalties on arrears of income tax. This $44 million refunded in overpayments would indicate that Canadians are much more prone to overpay their taxes than to deliberately underpay them. Yet I recall that in giving reasons for the quite heavy interest rate imposed as a penalty on arrears of taxes, the Minister of Finance said that was done to discourage underpayment. Certainly it cannot be said that the interest rate allowed on advance payments is any encouragement to overpay,

so I believe it is a tribute to the honesty of the Canadian people and their desire to comply with the income tax laws to the very best of their ability; and when they err they do so on the right side. I am not going to press the point, because it concerns the Minister of Finance, but I believe it does reinforce our contention, which I still put forward, that the interest penalty on arrears of taxes is unfair and too heavy, particularly when, as in most cases, it can be clearly proved that the underpayment resulted from an error and not from any deliberate intent. I am interested in that figure; I think it will serve as a basis for discussion when the budgetary provisions are before us again.

The minister mentioned 76,000 cheques representing refundable portions of taxes which had not been distributed. I should like him to give us the reason for that. Is it because the addresses of the taxpayers are not now on record, or what is the reason?

Mr. McCann: We have tried every method we could think of to locate these people.

Mr. Fulton: The reason is that their addresses are not available?

Mr. McCann: Or the marital status has changed; the name has changed. Miss Jones put in her return; now she is Mrs. Brown, and has changed her residence; and unless she puts in a claim there is not much chance of locating her. I am not going to review the methods followed, but we did have a very fine follow-up system which worked well in the great majority of cases. Many people are careless about their money, however, and once it is gone they do not try to reclaim it. These refunds will not be lost. At the end of this year we have to turn these cheques back to the treasury, but people who can establish a claim after that time will do it through treasury rather than through the revenue department.

Mr. Fulton: If they establish their identity they will still be able to have the money returned?

Mr. McCann: Yes.

Mr. Fulton: The minister will remember that some time earlier I asked about the relationship between his department and the Department of Public Works. I find I should have discussed that matter under this item, because it was a taxation building rather than a customs building I had in mind. I wonder if the minister has any information on the situation in St. Catharines, where I have been informed the amount of space requisitioned and provided greatly exceeds the space at present occupied by the department.

[Mr. Fulton.]

Mr. McCann: The explanation is that a few years ago we had a survey made by a very competent committee of outsiders, working with officials of the Department of National Revenue, in connection with the location of tax offices. At that time it was considered that it might be in the public interest to establish a tax office at St. Catharines. The department communicated with the Department of Public Works, and asked them to get us so many square feet of space. From the amount of taxes collected in a particular community we can calculate what our requirements will be. If it is decided that we need 100 square feet for each of our employees, and we have 100 employees, we shall need 10,000 or 12,000 square feet.

As things developed we found that with the great burden of work there was in connection with arrears it would not allow us to take personnel from the established offices, such as Hamilton, or Toronto, to establish a sub-office in that particular city. There were other things that entered too, such as the matter of space, and the matter of trained personnel. We shall have before us the matter of establishing a number of offices in other parts of the country. For instance, there should be an office, according to the recommendations in the report, somewhere in the north country to relieve the office in Ottawa of the amount of work it has. Primarily, though, the office should be established to give better service to the public. As I say, when we know approximately what the collections are in a district we can estimate how many people it will take to provide service. Then we can estimate the amount of floor space we shall require, and we can requisition for that. All of these things are determining factors in deciding the amount of space we need. In growing communities we feel we should make provision for the future growth of a particular district, because I think one can state without fear of contradiction that income tax collection is going to be a continuing process in this country.

Mr. Fulton: Mr. Chairman, following up this question, I understand that the amount of space requisitioned at St. Catharines was 16,000 square feet. Arrangements were made through public works for the leasing of that space for five years at an annual rental of $1.75 per square foot. The income tax division took occupancy of only 7,283 square feet, or less than half of the amount requisitioned and obtained by the Department of Public Works. Then I am informed that the Department of Public Works made various attempts to sublet the surplus space, and managed to rent 1,500 feet of it at a dollar per square foot or 75 cents per square foot less than they are paying. In 1949 they

sublet an additional 2,435 square feet at $1.25, or 50 cents less than the price they are paying. Up to March, 1949, or for a period of less than half the term of the lease, the Department of Public Works has experienced a direct loss of $28,000 for rental of the unoccupied space.

This brings to mind certain questions in connection with the transaction. The minister has explained why they could not occupy all the space they first wanted, but does he know whether the balance of the unoccupied space is now rented, and if so at what price?

Mr. McCann: Mr. Chairman, I would not know that. When we came to the conclusion we did not require all the space which we had requisitioned, and which had been leased for us, we informed public works of the amount we could release. It was up to them to re-rent it. At the present time the number of employees we have at St. Catharines is 18 or 20, and the space we are using is adequate for our needs.

Mr. Fulton: The minister has not got that information; it would only be with the Department of Public Works. I want to go back to a matter which was touched on before, the question of who pays the rent for this building. I would ask the minister what his attitude is to the suggestion that, in cases such as this, the Department of Public Works should be entitled to recover the loss from the requisitioning department, that is any loss it incurs by reason of not being able to sublet the surplus space or being able to sublet it only at prices lower than the original lease. It seems to me it would act as a control measure, not only for the Department of National Revenue but for all departments, if they were likely to be billed for such losses. I know that the money comes out of the same pocket, but I do not believe any department would like to have in its account a bill for space that was not used. I think such billing might act as a control measure on all departments, and would mean keeping their requisitioning of space to a minimum. I wonder if the minister, who is a financial man, would give his reaction to that suggestion?

Mr. McCann: Mr. Chairman, any comments I would make upon it would be entirely personal. I think the hon. gentleman will recognize that it has always been the policy of governments, irrespective of political shade, that all buildings are controlled by the public works department under the Public Works Act. From a strict accounting point of view, it might be better if the Post Office Department were charged rental for the buildings they occupy, and national revenue were charged for the space they occupy. However, that has not been the method. I presume if the government could be persuaded some time they would not be averse to a change in that direction if it were to be for the general advantage of the country.

Mr. Knowles: I wish to rise on a question of privilege. I realize that a decision was taken by the house last night, and I was here when it was taken, that we sit straight through today from eleven to eleven without any break. So far as I am concerned that is all right, but I would point out it is a heavy burden upon some of the people who work for us, particularly the *Hansard* reporters and the amanuenses upstairs. I wonder if we could not reach an agreement to recess for half an hour some time between now and eight o'clock. I do not suggest that it be at this moment, but perchance when the items of this division are finished. The reason I suggest it now is that, if we are going to do it, it would be useful for the *Hansard* reporters, the amanuenses and other members of the *Hansard* staff to know in advance. I would suggest that when we reach the end of items 263, 264 and 265, we agree to recess for thirty minutes.

Mr. McCann: Why not take the whole department first?

Mr. Knowles: I would be willing to suggest that, but I know that the member for Eglinton has a speech, which will probably not be short, on the C.B.C.

Mr. Fleming: Let me make the speech, and determine the length of it.

Mr. Knowles: If we wait until that is completed, it will be eight o'clock.

Mr. McCusker: I would suggest he make that speech during the thirty-minute recess.

The Chairman: It would have to be done by unanimous consent of the house, not the committee.

Mr. Knowles: If there were unanimous consent, the chairman might simply leave the chair for half an hour.

Mr. Murray (Cariboo): We could all be of assistance to these distinguished *Hansard* reporters by being brief.

The Chairman: If there is not unanimous consent, we shall have to continue.

Mr. Knowles: Would the chairman inquire to ascertain whether there is unanimous consent?

The Chairman: Is there unanimous consent to the adoption of this course?

Mr. Fournier (Maisonneuve-Rosemont): No; we are here to work, and we shall work.

Mr. Hatfield: I should like to ask the minister if there is any consideration being given to the plan used in the United States, whereby when income tax returns have to be made out there is an advertisement inserted to the effect that a man will be at a certain post office in certain centres to aid the farmers and workingmen to make out their income tax returns. He is there for a week or two, depending upon the size of that centre. That has been a great help and it has collected a great deal more money for the taxation department in the United States than has any other one thing, I understand. I was wondering about it here.

Mr. McCann: That is a matter to which the department has been giving consideration. At the present time we render every assistance that we can to taxpayers to help them to make out their returns. We do not make the return for them. They make that. But the matter is being given consideration, and we hope at some future time to extend the facilities of the department in order to make it easier for farmers and other taxpayers to submit their returns.

Mr. Hatfield: That is done only in the cities where you have offices. I meant in places out in the rural districts. A great many farmers have not made out an income tax return for the simple reason that they do not know how to do it. They do not want to spend the money to hire an auditor and they just have not done it. The department have lost a great deal of money on that account.

Mr. Catherwood: I believe there are some changes made in the regulations with regard to farmers filing their income tax returns, and charging over to a succeeding year. I wonder if the minister would give the house a little clearer picture of these new regulations regarding the position of the farmer, as to the method and as to how they could carry out the new regulations of the department.

Mr. McCann: Does the hon. member refer to the matter of losses that are sustained?

Mr. Catherwood: That is right; to losses.

The Chairman: Shall the item carry?

Mr. Fraser: No, not yet. The minister is going to answer the question asked by the hon. member for Haldimand.

Mr. McCann: The new regulation provides that losses can be carried back one year and forward for five years. The old regulation was that they could be carried back one year and forward for three; so that it gives the farmer the opportunity of spreading the losses on any of his operations over a greater period. Is that the information the hon. member wants?

[The Chairman.]

Mr. Catherwood: Yes. Is it optional with the farmer as to whether he uses that method or not?

Mr. McCann: Yes, it is optional.

Mr. Fraser: The minister's department have been kind enough to put a temporary office in Peterborough for a month before the income tax is due. Could that period not be extended a little longer, perhaps to one and a half months or two months? Last year they came in on a Saturday, the first of the month, and they had only one man there. I mentioned the matter in the house, on account of the crowd; but I discovered the reason for it. They did not think they would have many in at that time. On the Monday they had four there and they did excellent work; but they were busy all the time. They had four there for the whole month. I think if you could get two in there for a month before that, it would help a great deal.

Mr. McCann: We should be glad to consider that suggestion. If the records show that it would be of greater benefit to have them in the hon. member's particular district for six weeks rather than for four weeks, we shall carry out that suggestion. The general policy of the department is to attempt to facilitate the work which the taxpayer has to do with reference to making his return, and to make it as easy as possible for him to be accommodated by the department.

Mr. Fraser: I want to say that the Kingston office has been extremely co-operative. It has helped as much as possible. All those who were put in the Peterborough office did the work well, and everybody seemed quite satisfied.

The minister mentioned that he advertised on the radio with regard to people getting their income tax returns in. I may say that in my parliament hill broadcast at the last of March I asked the people to be sure to get their income tax returns in as soon as possible.

There was one other question I wanted to ask and it is this item. Has anything been done regarding the collection of 1942 tax? There was the uncollected half of tax that was levied, and I believe it was only for one year—they could pay on the life expectancy basis on that half. I wondered if anything else had been done regarding this collection. Some people will die and they might not leave enough to pay their income tax that is due. If it is not paid, there is an 8 per cent penalty on that.

Mr. McCann: What the hon. member is referring to is the deferred tax?

Mr. Fraser: That is right.

Mr. McCann: That there was a change in the method of collection, from the year before to the current year. The answer to his question is that nothing further has been done in that regard.

Mr. Fraser: I wonder if it would not be wise to make some suggestion to the public to get that paid because it is going to be a hardship on the heirs of an estate if they have not money enough to pay that half when the time comes.

Mr. McCann: That is a matter that the Minister of Finance has to deal with; and if he will change the law, we will carry it out.

Mr. Bryce: In an answer to the hon. member for Haldimand the minister said that the farmer could start the new system when he liked. Is that right?

Mr. McCann: No. That is not right. I did not say that.

Mr. Bryce: When can he start? I understood the minister to say that he could start when he wanted to.

Mr. McCann: This of course has to do with losses, and the farmer would not start it until he had a loss. If he had a loss in this year, he could carry it back to the previous year or retain that and carry it forward for the next five years until the time he sustained a loss.

Mr. Bryce: But if he starts the system that you are proposing to have or that is being put on the statute books, he cannot go back to the old system?

Mr. McCann: There has been no change in the system. It has only been an extension of the time giving the farmer a further benefit in which he can write off his loss against his profit.

Mr. Bryce: If he adopts that system you offer him of taking it from year to year, at no time in the future can he go back to the old system?

Mr. McCann: I think the hon. member is talking about a different thing. He is talking about the system of accounting, whether he is doing it on a cash basis or on an accrual basis. Is that not it?

Mr. Bryce: Yes.

Mr. McCann: That is a different question. If he is doing it on a cash basis, then from year to year he gives his cash receipts and his expenditures and he pays on the profit which he makes or the income. On an accrual basis he takes into account both his receipts and expenditures in any year, whether or not he has received the money in that year or made the expenditures in that year.

Mr. Bryce: If he adopts that plan, can he go back to the old system?

Mr. McCann: No. He is supposed to stick to the one system.

Mr. Hatfield: At the present time an incorporated company has six months in which to make out their returns after the close of their year. Has any consideration been given to giving that time to the farmer? That is, has any consideration been given to giving him six months to make out his income tax return?

Mr. McCann: No. The farmer makes his return at the end of December and pays 75 per cent of his tax. He then has until the end of April, like the individual taxpayer, in which to make his return.

Mr. McLure: I think the minister misunderstood me when I was mentioning the total amount for the Department of National Revenue. When I said 26 per cent was for temporary assistants I meant that that referred to the total of the whole department. We are now on item 265 of the taxation division which will probably explain more fully what I had in mind. For instance, $26,310,140 is asked for for district offices. Over 33⅓ per cent of this amount is for temporary assistants, namely, $8,566,165. We have this explanation regarding it. During the last year the permanent positions have been increased to 5,272, while the number of temporary assistants has decreased. What I was asking for in the first place was that at another session we should have a breakdown in rough figures giving us the number of grades, their salaries and so forth. The average salary for temporaries in this department is now about $1,850. If we had that information we could then calculate how many of these would eventually be made permanent.

Mr. McCann: The practice that we follow in the Department of National Revenue is the practice that is followed by all government departments. However, we will give consideration to the hon. member's suggestion.

Mr. Fulton: Can the minister tell me what progress is being made in opening up the assessment office of the taxation division in Kelowna, British Columbia? There was to be a sub-office of the Vancouver office in order to have someone there to assist the ranchers, the farmers and the businessmen of the interior in ironing out their tax problems, and helping them to get their assessments in quicker than if the office were in Vancouver.

Mr. McCann: I cannot give a very encouraging answer to that because we have not

made any progress in opening up an office at Kelowna. We have one at Vancouver and one at Victoria, and up to the present time they appear to meet our needs, because in order to run a tax office you must have experienced help. You need accountants; you need auditors; you need experienced people, and it is not the easiest thing in the world to get them. When you do get them and start an office you have to get your costs down in order to justify your continuing it. As I indicated earlier the smaller the office the greater the cost.

Mr. Fulton: Yes, but I want to say this. I understood at the time that the decision was made. It was two years ago when it first came up. I was under the impression from what the minister said it was a decision which was taken, a definite decision, and that the matter would be proceeded with as soon as the department was able to get around to it. My recollection is that the minister said at that time that owing to the terrific pressure of trying to catch up with arrears of assessments they did not want to disturb the set-up in Vancouver or divert their attention by undertaking additional activities such as opening up a new office; but as soon as that pressure was off and the backlog was disposed of they would turn their attention to opening up the office. I understood the decision had been taken and they were merely waiting for the right time to implement it.

In reference to what the minister said I would point out that this office would serve a very productive area, and an area of at least a hundred thousand in population, but not a hundred thousand taxpayers, in the southern interior of the province.

Mr. McCann: With reference to the matter of opening up a tax office at Kelowna, I remember having discussed it. No decision was made. It was a decision of the committee and it was a hope of the department at that time, a hope that has not been realized.

Mr. Fulton: May I ask the minister another question or two? Has he figures of the amount of arrears of income taxes in each province? I think he gave us figures of the arrears in assessments. Has he the amount of arrears of taxes by provinces and the total for the country and the number of prosecutions by provinces in the last calendar or fiscal year, whichever is more convenient?

Mr. McCann: Our figures are not kept by provinces, because we have overlapping. Take the district right here in Ottawa. It would be foolish to have a district headquarters in Ottawa and another across the river in Hull.

[Mr. McCann.]

Mr. Fulton: I see that.

Mr. McCann: Therefore part of the province of Ontario, of the Ottawa district office, goes over into Quebec province.

Mr. Fulton: It would be more convenient if I asked for that information by districts?

Mr. McCann: Yes.

Mr. Fulton: The information I want is with reference to the arrears and the prosecutions by districts and the number of prosecutions in the last year.

Mr. McCann: I have not the arrears at the moment, but if the hon. member will look back a week or two ago he will see I made a return in answer to a question having to do with the total amount of arrears. I am not sure whether the hon. gentleman asked the question or not, but it showed the amount of arrears for a year, and from one to five years, and of all the arrears beyond five years. I remember this figure. The figure of arrears of more than five years—I remember that was away back to 1917—was only a little over $5 million.

Mr. Fulton: Was that return made by districts?

Mr. McCann: No, it was not made by districts.

Mr. Fulton: If it is not immediately available so as to be given to the committee while we are sitting, can the minister have it brought in later and tabled so that it may go on *Hansard;* also the number of prosecutions by districts to collect arrears of taxes?

Mr. McCann: We will try to get that information for the hon. gentleman. The prosecutions in 1949-50 under the Income War Tax Act for failure to file returns totalled 4,301. It is believed that some prosecutions were instituted against farmers in this figure, but the number has not been segregated. Prosecutions in 1949-50 for failure to deduct or remit taxes under section 92 of the Income War Tax Act or 112 of the Income Tax Act totalled 126; prosecutions in 1949-50 instituted for false or deceptive statements totalled 24. Only one of these was against a farmer.

Mr. Fulton: The minister will follow that up and give us the figures by districts?

Mr. McCann: Yes.

Mr. Fulton: I think this is my last question. The minister made reference to the amount for travelling expenses which he termed fully justified. While I do not think I would be prepared to go that far, I certainly am prepared to say that I agree with

him, that, if tax enforcement is to be uniform throughout the country, then it is necessary to provide an adequate amount for travelling. But I am a little surprised that the amount should be so substantial under the administrative branch. As reported at page 198 of the details the minister is asking for $90,000 this year. I would have thought that the branch would not have needed quite as much as that, although I can appreciate that a large amount might probably be necessary in the internal inspection and verification branch of the taxation division and in the district offices in order to provide for collection and inspection, and so on. Can the minister tell us how much was spent last year in the administrative branch?

Mr. McCann: The amount spent last year in the administrative branch was $44,525.

Mr. Fulton: The minister is asking for $90,000 this year. It does seem to me to be a very large amount to ask for under branch administration when at the same time you are asking for large amounts for the field and for the districts. Why does the minister want so much more than he spent last year?

Mr. McCann: I am informed that more work will be done by head office staff in the district offices than has been done previously. Take the matter of inspection. We have inspection service, and they go out from head office and inspect all the district offices. It is just the same principle as bank inspectors. These trips are made, and our staffs go from here to Vancouver and from here to Newfoundland and to Halifax and to other offices, and that costs a good deal of money for travelling.

Mr. Fulton: Is it really felt that the amount of such liaison and inspection carried on in the past year or two has not been adequate?

Mr. McCann: No.

Mr. Fulton: And that you need to double it this year?

Mr. McCann: No, I would not admit that it has not been adequate; but this will give us the opportunity of doing it more frequently and perhaps more thoroughly.

Mr. Fleming: Mr. Chairman, one remark made by the minister in his introductory statement attracted my attention. It had to do with the provision for legal fees. He mentioned that last year $131,000 was appropriated for this purpose on the taxation side of the department, and that $165,000 is sought this year.

May I say at once that where people have not paid their taxes I do not think anyone in the House of Commons is going to have any undeserved sympathy for them. We wish to see vigilant enforcement of the tax law. That, however, does not go the whole way of justifying the large increase in this item. I have found that in more cases than there is any necessity for the department engages outside counsel to represent it in taxation cases. This in many cases becomes a matter of making patronage payments.

There are most competent counsel in the minister's department; and in many of those cases where counsel from the department are appearing as junior counsel to assist someone from outside, those junior counsel do most of the work. I wish to make this observation that I think outside counsel are being retained in many more cases than they are required. Those competent counsel in the department are capable of handling more cases than they are being given the opportunity to handle at the present time.

Mr. Murray (Cariboo): That is peculiarly a Toronto viewpoint. Let us suppose there is a prosecution in Dawson Creek; would the hon. member send counsel from Toronto or Ottawa to prosecute, when competent counsel could be retained in Dawson Creek?

Mr. McCann: In connection with tax collection prosecutions we are up against the best talent in business who, in the great majority of cases, within the law attempt to have their assessments reduced. I can think of cases over the last few years in which enormous amounts of money have been involved. We would be derelict in our duty if we did not employ the best counsel procurable to advocate our side of the case. That is why we have made provision for this expenditure, and it has paid profits, I am sure.

Mr. Fleming: The minister has not answered the point I have raised. Of course there always are and always will be cases where counsel from outside have to be retained. The point I make is that outside counsel are retained in many cases where they are not necessary and where they do not add anything to the competent presentation of the case made by counsel in the department.

As for the observation made by the hon. member for Cariboo, may I say that many of these cases are handled here in Ottawa. The exchequer court is trying them all the time. Counsel are often brought here by the department from outside to argue these cases. I am speaking from personal observation when I say that I think money could in many instances be saved by the department without weakening one iota the presentation of its case before our courts.

Item agreed to.

Income tax appeal board—

266. Administration expenses, $73,000.

Mr. McLure: I have in mind the case of an immigrant whom I shall call John Doe who came from England to Prince Edward Island on June 20, 1948. This man had a wife and one child. In 1948 he received no family allowance payments. The law had just been changed from three years to one year. This man filed his income tax return for the year 1949, and claimed $400 exemption for his seven-year-old child. In place of this he was allowed only $150.

This man had received family allowances for only a short time. Should the family allowance payments of a few dollars be figured in connection with his income, letting him have the total exemption of $400, or should it be figured on a basis of his receiving family allowance for the child for five months? In this way five-twelfths of $400 plus seven-twelfths of $150 would give him an exemption of $260. I understand the taxation branch do not want to allow him anything in addition to the regular $150.

Mr. McCann: The hon. member is referring to a specific case. If he would send the information to the department we would have it investigated, and the taxpayer would be given as fair treatment as it is possible to give him.

Mr. Fleming: Is the minister in a position to indicate the extent of the backlog of cases awaiting decision now by the income tax appeal board?

Mr. McCann: Yes, I can give that. This estimate is to include salary, printing, stationery and travelling expenses. There have been 290 appeals received. Appeals filed with the board up to June 22, 1950, are as follows:

Disposed of (judgments delivered)	97
Judgments expected shortly	31
Appeals settled or withdrawn	40

This gives a total of 168. Appeals yet to be considered number 122.

Mr. Fleming: Over what period of time?

Mr. McCann: Since the appeal board was established two years ago.

Item agreed to.

International shortwave broadcasting station—

267. Maintenance and operation, $1,598,400.

Mr. Fleming: This brings us to an entirely different subject. As hon. members realize, this item represents the cost of a service operated on behalf of the government by the Canadian Broadcasting Corporation, and has nothing to do with the budget of the corporation itself. The corporation acts as the agent of the government in operating this service, which has proved to be useful and well received in countries abroad to which broadcasts have been beamed by C.B.C. in their local languages.

At the outset I should like to say that the two items under this heading were thoroughly considered by the special committee on radio broadcasting, which heard officials of the Canadian Broadcasting Corporation, and reported favourably on them, after which the items were recommitted to this committee of supply. I express the hope that this practice will be followed in future sessions, because in that committee the items can receive a more complete study than in committee of supply.

The details of the first item of $1,598,400 appear on page 203, and among these details is a sub-item for "travelling and removal expenses and duty entertainment, $55,000." That detail is in turn broken down into the following three sub-items:

Travelling	$45,000
Removal	5,000
Duty entertainment	5,000
	$55,000

The amount of this item last year as voted was $60,000, and at first glance it might now appear that there is a reduction; but the amount actually expended was $34,868; in fact there is an increase of $20,000. The evidence submitted to the committee did not justify an increase of $20,000.

Mr. Stewart (Winnipeg North): On a point of order, may I point out that there does not appear to be a quorum in the committee.

On the count being made, more than twenty members were declared to be present.

Mr. Fleming: The facts brought forward by the officials of the corporation in support of the item and the increase of $20,000 over last year's requirements were to the effect that there was value in having the officers engaged in this international service visit the countries to which the broadcasts are carried, and in addition that there was a conference at Rapallo this year to which representatives would be sent.

It was not suggested that more than two or three officials at the most would be sent abroad in any one year for the purpose of establishing contacts with those interested in receiving these broadcasts, and the conference at Rapallo is not going to necessitate such a large expenditure as to take up the difference between the expenditure last year and the estimate this year. It is quite clear, and this was not denied in the committee, that $10,000 in addition to what was spent last year would meet the expenses of sending

delegates to Rapallo and sending two or three officials abroad for the purpose I have indicated.

Mr. Maybank: I rise to make a correction which I think the hon. member will permit. I do not think he intended to say that the argument he is now putting forward was not controverted in the committee. The record of the committee is available, and I am sure he will admit that there was controversy over this item.

Mr. Fleming: The hon. member was not following what I said. I said that it was not denied that $10,000 in addition to the expenditures of last year would meet these additional expenses.

Mr. Maybank: That is the point I was making.

Mr. Fleming: That will be found on pages 317 to 323 of the proceedings of the committee. I moved in the committee that the amount of the item be reduced by $10,000, which would still leave $45,000 available this year as compared with an expenditure last year of $34,868. That suggestion was sought to be answered by saying that the amount would not be expended unless it was required, and if it was not needed under this particular detail it could be used under some of the other details which were rather tightly estimated. The fact is that in the evidence given before the committee no case was made out for the need of an additional amount, and therefore I intend to make the same motion I made in the committee. I move:

That the amount set opposite item 267 be reduced by $10,000, from $1,598,400 to $1,588,400.

In moving this amendment I emphasize the fact that it has nothing whatever to do with the national service provided by the Canadian Broadcasting Corporation. It will not affect that in the slightest degree. Here, I think, is a clear-cut instance where $10,000 can be saved.

Amendment (Mr. Fleming) negatived on division.

Mr. Knowles: Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again later this day. The motion is not debatable, but may I just say that if it carries, when the Speaker then takes the chair I would move that Mr. Speaker leave the chair until thirty-five minutes past seven o'clock, which is half an hour from now.

Mr. McCann: I would not object to a little intermission, but would hon. members agree to extend the sitting after eleven o'clock this evening to make up for the time taken in the intermission? I do not like to take the responsibility of cutting down the time covered by the motion yesterday, which was from eleven o'clock in the morning until eleven o'clock at night. If we rose for half an hour now could we agree to sit half an hour later tonight?

Mr. Knowles: I would not object, but I think it would be difficult for us to bind those who might be in the house at eleven o'clock. I would point out that we are working the *Hansard* reporters and amanuenses, in particular, unreasonably long hours without a break.

The Chairman: The motion is not debatable.

Motion negatived: yeas, 7; nays, 20.

Item agreed to.

Canadian Broadcasting Corporation—

719. To provide for advances to the Canadian Broadcasting Corporation, subject to such terms and conditions as the governor in council may prescribe, for working capital and to partially finance the deficit of the corporation pending determination of the provision to be made for its future financial requirements, $650,000.

Mr. Fleming: May I say at the outset, Mr. Chairman, that, contrary to the unauthorized statement of the hon. member for Winnipeg North Centre a few minutes ago, I do not intend to make a long speech on this subject. However, even at this late stage of the session there are some points I think should be mentioned with respect to this important item.

Hon. members will recall that the special committee on radio broadcasting tabled its report in the house on June 26, two days ago. The scope of the review conducted by the committee this year was considerably narrower than that of the last two committees in the sessions of 1946 and 1947. There was a general feeling in the committee that in view of the fact that the royal commission on national development in the arts, letters and sciences is sitting and may submit its report within the next few months, it was unnecessary and perhaps undesirable for a committee of the house to cover the same ground. Consequently the whole subject of the basis and system of control of radio broadcasting in Canada was not touched upon in the committee, except briefly in relation to television. Those in competition with the corporation in local areas were not before the committee, which concentrated on an examination of the C.B.C. officials in regard to the operating side rather than the controlling and regulating side of the corporation. In a sense the evidence we heard was the evidence of only one side, in some matters; but, all things considered, I believe the committee adopted a course that was reasonable.

Before I go further I should like to pay a tribute to the officials of the corporation. The relationship between the committee and those

officials has always been happy and harmonious, and I think every member of the committee respects the officials for the quality of their service and for their intense loyalty to the system which is placed in their hands to administer.

The report tabled in the house on June 26 contains a good deal with which some of us who did not support it nevertheless find ourselves in agreement, including the desirability of extending the services of the corporation to areas which do not enjoy those services now, and also the desirability of making improvements in the system. The report, however, was adopted by the committee on division. Those of us who were not able to support it felt on the one hand that the tone of the report was altogether too sweeping, based largely as it was on hearing only one side in certain cases. On the other hand we felt that many of the recommendations contained in the report ought to have been deferred until after the royal commission made its report. For instance, there are extensive recommendations on the subject of the financing of the operations of the system, which field is under study at the present time by the royal commission. Some of these problems have to be faced in the very near future, including the question of the basis of financing the operations of the corporation, but some of us felt that to make extensive and in many cases sweeping recommendations to the House of Commons at the present time was premature, having regard to the fact that the royal commission will be bringing in recommendations on these same matters within a short time.

When I speak of sweeping comments I would direct attention to an example of the sort of thing I mean. In the report of the committee, at page 577 of *Votes and Proceedings* of June 26, this statement appears in reference to what would happen if the Canadian Broadcasting Corporation were called upon to live within its present sources of income:

> It could reduce expenditures. The consequences of doing this would, however, be disastrous.

Now, I think the word "disastrous" is too strong, as I said in the committee. Undoubtedly certain features of the system would suffer. I mention that as one example of what I think is a certain tone running through this report that goes too far, that is too sweeping.

However, sir, having regard to the desirability of economizing on time, I shall confine my remarks to three subjects which are dealt with in this report and which were considered by the committee. Those subjects are finance, the Radio Canada building in Montreal, and television. Other subjects were considered by the committee and some of them are referred to in the report. If there were time I think those subjects are worthy of consideration in the house, but our time is very short. I shall confine myself, therefore, to those three subjects.

The subject of finance must soon be faced. The Canadian Broadcasting Corporation is confronted with a situation today where deficits are mounting. In the year 1948-49 the system incurred a deficit of $43,000. In the year ended March 31, 1950, a tentative figure for the deficit was given as $242,000. The officials of the corporation estimate that the deficit for the current year ending March 31, 1951, will amount to $962,000. I trust that the minister will give the committee some information concerning the way in which the particular amount in this item 719 was arrived at, because the figure of $650,000 covers only about seventy per cent of the deficit estimated by the officials of the corporation.

I have indicated that I thought in the committee, before we made recommendations on this subject, we should have the benefit of the study made by the royal commission. However, the subject is here, and I wish to make just one or two observations about it. The committee has said that it refrains from indicating how moneys should be raised, although it feels that additional money must be supplied to the corporation. In the brief tendered to the royal commission by the Canadian Broadcasting Corporation—

Mr. Knowles: Order.

Mr. Fleming: —a fee of $5 was suggested for persons having receiving sets in place of the present $2.50 fee. The way in which that amount was arrived at was not made clear, except that it was shown to the committee that, while the corporation does not designate that as necessarily the method, the yield from such an increase would meet the revenue needs of the corporation for the measurable future. I wish to say this, sir, that the present licence fee of $2.50 is nothing more than a nuisance tax. The cost of collecting it has been borne, since 1947, not out of the yield of the tax to the Canadian Broadcasting Corporation, but out of the consolidated revenue fund. The cost is running in the neighbourhood of $600,000 per year to collect this one source of revenue to the corporation. I might say that that represents about twelve per cent of the amount collected through that $2.50 licence fee, and that is an unusually heavy percentage for the cost of collecting.

In the concluding paragraph of its report the committee has drawn attention to that fact. The report reads:

> Costs of collection of this licence fee run to between twelve per cent and thirteen per cent, which seems to your committee to be a very high collection cost. In saying this your committee intends no criticism of Mr. Browne or his staff,—

That is to say, the staff of the radio division of the Department of Transport.

> —who in fact are both conscientious and efficient, but it would suggest that unremitting consideration be given to discovering less expensive ways of obtaining these fees.

So I say that the time is fast approaching when the house will have to face the problem of meeting the cost of operating the corporation out of a parliamentary vote.

The second subject of the three is the Radio Canada building in Montreal. That building, sir, you will recall, was acquired by the government through the assistance of the Canadian Broadcasting Corporation in the spring of 1948. This is the first time any parliamentary committee has had an opportunity of reviewing that purchase and the expenditure involved. The committee went to Montreal and examined the building. I was one of those who went, and I wish to say, with all frankness and emphasis, that I think that building, acquired by the government for the use of the Canadian Broadcasting Corporation, is a very suitable building. I was impressed by the fact that the corporation has done good work in converting the building, the former Ford hotel, to the use to which it is now to be put. The building will house not only the many services and departments of the corporation generally, but also the international shortwave service. An annex is in the course of construction now to provide for a producing centre for television in Montreal.

The price paid for the building was $2,200,000, which included a figure of $150,000 required to buy out the occupation rights of tenants then in the building. I am not in a position, and I feel that the committee was not in as good a position as members seemed to think, to pass on the price of the building. For instance, I asked in the committee whether independent appraisals or reports had been sought or obtained by the corporation from valuators before the purchase had been made. We were told that no outside valuation had been obtained by the corporation. Dr. Frigon did consult certain sources of advice open to him, and we had some evidence directed to comparing the price paid with the price paid for a nearby property acquired by the Y.W.C.A. I mention that, sir, and I do not express any opinion on the point. I should like to have seen the corporation, before making that large purchase for the government, obtain the report and advice of a competent independent valuator.

As to the cost of renovating the building and fitting it for its intended use, there are one or two facts deserving of mention. The cost of renovating the building was $1,300,000. The estimate originally prepared by the corporation was $1 million. Without inviting tenders at all, the corporation retained the services of a general contractor in Montreal, who is widely acknowledged to be a competent and efficient general contractor. He agreed to a fee not to exceed eight per cent of the corporation's estimate, that is, a maximum fee of $80,000. I have stressed the fact that no tenders were invited for the general contract. It is only fair to say that when the corporation came to let the subcontracts, about seventy per cent of the cost of the work was let to subcontractors by tender. In the case of the provision of the fittings for the building and the installation, $800,000 was the estimated amount. Again the contract was let to the same general contractor without tender. In the case of the fittings, about $345,000 of the $800,000 is being let by way of subcontract on tender.

Mr. Maybank: Mr. Chairman, I wonder if the hon. member would object if I suggest a correction to him?

Mr. Fleming: No, Mr. Chairman; I should be glad to have it if I have made an error.

Mr. Maybank: I rather think that an error has been made just now, unintentionally. Reference has been made to $800,000 for equipment, as though that were part of what the contractor was supplying, and also as if it were something for which the contractor was being paid eight per cent or any other percentage. If the hon. member will recall the evidence, I am quite sure that he will realize that such a statement is entirely incorrect. The contractor, of course, has nothing to do with the buying of equipment. Consequently this eight per cent does not apply upon the cost of it. On consideration I think the hon. member will agree with that.

Mr. Fleming: I wish to be perfectly fair. I cannot at the moment take the time to look up the page of the evidence on that point. If the hon. member assures me that I am wrong, I am quite happy to accept his correction.

Mr. Maybank: There was an estimate of the total cost of the transformation, not including equipment, and eight per cent was reckoned on that. If that estimate were to turn out to be wrong—that is, too low—and

consequently more money was spent, that eight per cent would not arise. There was a limit of $80,000.

Mr. Fleming: Oh, quite so. I mentioned the fact that there was a maximum fee of $80,000 on the work of renovating the building. The estimate, as it has turned out, was low by about twelve per cent, in the case of both the estimate of the cost of renovation and the estimate of the cost of the fittings for the building.

I turn now to the third and final subject, that of television. The future of television is vast. The officials of the Canadian Broadcasting Corporation, in the evidence taken, acknowledged that in television a tremendous field is opening up in this country. We are far behind the United States and the United Kingdom in this respect. It is estimated that there are 6 million television sets in use in the United States as against 5,000 in Canada.

The situation here to some extent stems from the use made of the licensing powers under the broadcasting act. With regard to television, the position under that act is precisely the same as it is with regard to sound broadcasting. The licensing of stations for the use of designated frequencies lies in the hands of the Minister of Transport, on recommendation of the board of governors of the Canadian Broadcasting Corporation.

We have not any television being produced in Canada today. Any television that is being received in Canada today is being received from United States stations. The Canadian Broadcasting Corporation is now at work in setting up two producing centres, one in Montreal and one in Toronto. It is expected that they will be in operation by September 1, 1951. That is a long time for Canada to wait for television, Mr. Chairman. I say that we Canadians would have had television earlier if those responsible for licensing had been willing to grant licences to persons who were making application and who were prepared to meet whatever requirements were laid down.

In previous sessions I have referred to the fact that we have not been getting television in Canada nearly as fast as we should have; and I think that those responsible for the licensing of television producing stations in Canada must accept a large share of the responsibility for this delay. In the first place, a paternalistic attitude was adopted, for which the government must take responsibility. Applicants were told, as was the radio committee, in 1947, that persons should not be permitted to risk their money in the development of television under private auspices in Canada until the experimental stage had been passed because they might lose their money. It did not matter that they were willing to risk their money; it was felt by the government that they should not be allowed to risk it. That was not a good enough excuse.

Then a question has been raised all along, and properly raised, as to the Canadian content of television programs that might be made available if television licences were issued. Let me make it abundantly clear that I for one want to see the highest possible Canadian content in television broadcasting. Had the licensing authorities seen fit to grant licences to private applicants, it would have been the duty of the corporation, to see that a proper Canadian content appeared in all those television programs.

A third excuse given for delay was that if licences were issued to private applicants, they might just sit on their rights and not develop television. That is a pretty empty excuse when you consider that these licences would probably have been granted for a year at a time, and they are subject to close supervision on the part of the corporation. If any licensee simply sat on his rights, his licence could be immediately cancelled.

The fourth occasion for delay has been the answer given by the corporation to certain applicants, in telling competing applicants that they should get together and embark on a co-operative enterprise. There may be some difficulties presented in an area like Toronto where there are only two channels to be made available to private television stations and where there have been four principal applicants. In Montreal, on the other hand, there have not been as many private applicants as there are television frequencies available to be assigned in due course to private applicants.

I want to express the opinion that to tell people who are keen competitors in the field of sound broadcasting that their applications for television licences are not to be dealt with until they have joined together and decided to co-operate and to go into the venture as a joint enterprise, is dodging the responsibility laid by statute upon those who are charged with the duty of recommending the issuance of licences and the duty of actually issuing them.

In my opinion the explanation of this long and unfortunate delay in dealing with applications on the part of private applicants for television licences is not to be found in any of these factors that I have mentioned. They have been merely useful excuses. The fact of the matter is, sir, as I see the situation, that the government could not make up its mind

what to do about the development of television under the auspices of the publicly-owned Canadian Broadcasting Corporation. After a long delay they eventually made up their minds what they were to do, and the applications of others who would have liked to go ahead and develop television in this field have simply been held up in the long meantime, until the government made up their minds as to whether and how they were going to develop television through the Canadian Broadcasting Corporation.

This long delay is most regrettable. Canadians who have shown themselves capable of keeping abreast of the world in any form of technical and scientific development have by the government's decision in fact been deprived of the development of television in Canada in these recent years, and we are now far behind the United States and the United Kingdom. I for one express here the hope that no more time will be lost in dealing with these applications.

Obviously the corporation may have a difficult problem on its hands in selecting those who are to be successful in an area like Toronto where there are more applications than there are available frequencies; but that is one of the duties laid upon the board of governors and upon the minister, and the decision is not going to be made any easier by being delayed. Therefore I urge that the time has come when some decision must be made in this field so that this development may not be longer delayed.

As I have indicated, sir, there are other matters which are worthy of the attention of the committee at this time, but in view of the fact that we are in what I understand to be the dying moments of the session, and in view of the fact that there are so many of these matters of leading importance which are to be, we expect, the subject of recommendations of the Massey commission, we may await a better opportunity to debate them at the next session of parliament, when we hope to have a full report of the royal commission before the house.

Mr. Stewart (Winnipeg North): I have listened to the hon. member for Eglinton speaking on the Canadian Broadcasting Corporation for several years now, and I feel that this was probably the least critical of his speeches. There may be a reason for that. For the first time for many years the committee got down to considering the Canadian Broadcasting Corporation itself, how the corporation works, what the corporation is hoping to do, and what the corporation needed. As he pointed out, the committee did a constructive job of work in its investigation, and I share with him his appreciation of the way in which the officials of the broadcasting corporation tendered their evidence. However, although I do think that much of what the hon. member said was constructive, there are some of his views with which I disagree, and one of them is in the field of television.

The government may have been laggard in its approach to this new avenue of education and entertainment, a matter on which I have not yet made up my mind, and one which I do not think at the moment is very important because, to use a cliché, television is still in its infancy.

The hon. member for Eglinton said we had a long time to wait for television. Well, if what I have seen in the United States is any criterion I am quite content to wait for another year or two; for much of it is not particularly edifying. What the Canadian Broadcasting Corporation must remember is this. Surveys in the United States have shown that children now are watching television for as many hours as they are receiving education in the schools. That means that television can be a tremendously important social force, either for good or for ill. My opinion, for what it is worth, is that had commercial licences been granted I doubt very much whether the owners of those licences would have realized to the full the possibilities of television; that they would have concentrated, within the rules of the system, on making as much money as possible out of their broadcasting. We would have been inundated with all sorts of commercials, and I do not share the feeling of the hon. member for Eglinton that the programs would have had a large Canadian content. I think the officials of the corporation are right when they say that television in Canada must be Canadian, must have a large Canadian content. Certainly we do not want to prohibit anything which may come from the United States or from some other country, but we have to remember first of all the responsibility of the corporation to Canada, and I do not think private interests would have fulfilled it.

There is another aspect of the situation, and it is this. Commercial groups have approached the corporation for licences for television and they have been turned down by the board of governors. They were turned down because in the opinion of the board the applicants did not make out a sufficiently good case to be awarded a licence. If the board is right, then I think there should be no criticism, and I accept the board's judgment at the moment, although my opinion of that judgment may be wrong and the hon. member for Eglinton may be right.

As regards the radio building, I think those of us who saw that building at Montreal were impressed by it. The corporation has every right to feel proud of its own architects and engineers who out of the shell of the Ford hotel have constructed studios which I believe will be the most up to date on the North American continent. If I have to find fault—and I have to find fault in one place—it would be with the height of some of the operating booths. Their ceilings are far too low, and on more than one occasion my head came in violent contact with beams which had not yet been hidden.

As regards finance, it is true that in the coming fiscal year the corporation may have a deficit of almost a million dollars; and yet the committee, I think unanimously, has asked the corporation to increase its expenditures for the coming year. Therefore the committee must realize that the deficit may be larger if the corporation goes ahead and gives the further services that are desired by all. Whether they can or not of course will be a matter for the corporation to decide. What is evident above all as a result of the committee's studies is the lamentable lack of money from which the corporation suffers. It must have more finances, I would say a minimum of $5 million per annum in the next two or three years, if it is going to do the job which we expect it to do. It cannot get more money from additional commercial advertising, because more advertising would be distasteful to the great majority of Canadians, and would be opposed to the policy of the corporation. The raising of the licence fee to $5 is I think impracticable. I object to the idea of the corporation having to come to parliament year after year, cap in hand, to ask for a grant of money sufficient to cover the deficits.

If we are to keep the corporation independent and as far as possible out of the political arena, then the corporation has to get money in some other way. I have a personal suggestion with which my party is not associated. The corporation should be given funds by statute on the basis of a dollar per capita of the Canadian population per annum. That would amount to about $13 million. We could then abolish the licence fees and in place of the five or six million the corporation has in the form of revenue from licence fees it would have $13 million. With that amount of money it would have no possible excuse for not giving the service the people of Canada want. I would not want my remarks to be distorted, because I feel the corporation is only too willing to give that service. However up to now it has not been able to give it because of a lack of funds. If we want the corporation to do the job of work Canada expects it to do, then it has to be provided with money. The way I am suggesting is one which I believe will assure the independence of the corporation.

Mr. Higgins: Mr. Chairman, for some time past there appears to have been grave misconception as to the value of Newfoundland as an added asset in the confederation of Canada. Many assertions have appeared in the press, credited to various people, that Newfoundland's coming into the Dominion of Canada has been a deficit. In that particular connection I should like to refer to a broadcast made, I believe, by the minister on February 17, with respect to the broadcasting facilities of the broadcasting corporation of Newfoundland, the predecessor of the Canadian Broadcasting Corporation now operating in the province.

At that time the minister tabled the report of the C.B.C. and expressed some concern as to its financial position. He referred to the present financial loss and then, according to the information I have, added that the cost of the service for Newfoundland is burdensome. This is a most unfair statement. I say that because at the time of confederation the Canadian Broadcasting Corporation took over all the assets of the broadcasting corporation in Newfoundland which, at that time, consisted of a 15 kilowatt station then known as VONF, a shortwave station at St. John's, VONH, a shortwave station at Corner Brook, VOWN, a 500-watt station at Gander, VORG, as well as the equipment for the projected station they were about to open at Grand Falls, and which has since been opened.

This service included a complete and up-to-date set of transmitting equipment, a $25,000 studio building at Corner Brook, an extensive program library, and a line service between St. John's, Grand Falls and Corner Brook. In fact the broadcasting corporation of Newfoundland at that time regarded its equipment as being very much up to date. This service cost the C.B.C. not one penny. Upon the acquisition of that equipment belonging to the broadcasting corporation of Newfoundland programs were changed very considerably, and the people of that province were given what the people in the rest of Canada have come to know as soap operas. I am told 80 per cent of the broadcasting hours in each day are taken up with these soap operas. I am further informed that the improvement, if it can be called that, has not been very great.

My chief annoyance is with the suggestion that the taxpayer of Canada has been asked to carry a heavier burden. That suggestion is most unfair. Whatever burden in dollars

the Canadian taxpayer has had to assume because of the entrance of Newfoundland, Newfoundland has more than compensated for in other ways. I say that in connection with this particular operation involving the C.B.C. no additional burden has been assumed at all.

In the eleven years of operation of the broadcasting corporation in Newfoundland some facts might be of interest to the committee. It started out in 1939 with a capital investment of $8,000. Over the eleven years of its existence it was able, through the sale of licence fees, radio time and the opening of three additional stations to remodel the entire existing facilities, and to purchase all the necessary buildings which have now been handed over to the C.B.C. It was able to instal the best possible equipment and to give a service which the most severe critic could not possibly criticize.

When the broadcasting corporation of Newfoundland was dissolved as a result of having been taken over by the C.B.C. there was a surplus amounting to over $150,000. I am informed that with the revenue available to the corporation in Newfoundland it showed an annual profit of $15,000. My information is that the people of that province are very much upset about the minister's suggestion in the broadcast of February 17 to the effect that the addition of Newfoundland to the dominion has meant an additional burden upon the people of Canada generally. I feel certain that the minister would now like to retract his statement.

Some hon. Members: Carried.

Mr. Higgins: Does the minister wish to reply?

Mr. McCann: Item 719 in the supplementary estimates has to do with $650,000 to meet the operating deficit that is likely to occur from April 1, 1950, to April 1, 1951. We believe that will be the actual cash deficit. The amount of $962,000 that was suggested would be the paper deficit and, according to the method of accounting, known as the accrual method, would include depreciation allowances and the like.

The other item of $938,961 is made up of a revote of $638,961, which is a revote of money voted last year to finish the Radio Canada building in Montreal, plus $300,000 to meet the requirements to finish that building. I mention these two facts to make clear to the committee the purposes for which the money is required.

It was not my intention to discuss at length the operations of the C.B.C., because perhaps it would be out of place to do so at this time. Opportunity was given to hon. members to learn, from the report of the radio committee of this year, all the items having to do with the C.B.C., the international service and with television.

In his remarks about these two items the hon. member for Eglinton availed himself of the opportunity to discuss the finances of the C.B.C., Radio Canada building, and television. It is in that connection I wish to make a few remarks. I have no doubt it was made abundantly clear to the committee that the C.B.C. could not continue to operate and to produce the type of product or program they have produced throughout the year on the finances available to them, and that some method would have to be found so that they could increase their revenue. I am not in a position to say just what that method will be. As all hon. members are aware, this matter is before the Massey commission. Representatives of the C.B.C., as well as other persons throughout Canada interested in broadcasting, made representations to that commission. I feel that sometime this fall the commission will bring in a report and make suggestions to the government as to the best method of financing. Whether that will be on a fee basis or in the form of a subsidy along with fees or the total cost to be borne by the government is a matter of government policy which, of course, would be further reviewed by parliament when it meets.

I sometimes marvel that the C.B.C. has done as good a job as they have with the money made available to them. Everyone must admit that they are carrying on now with fees that were in existence ten years ago. It has been clearly demonstrated that in their operation, as in every other operation in the country, the cost of wages, services and equipment has gone up materially. It could not be expected that they would continue as they had in former years to show an operating profit. It is a good thing that they had an operating profit in former years because they were able to meet the deficit for the year ending March 1949 out of the reserves built up in former years. That obligation was not placed upon the government. The general expansion of the Canadian Broadcasting Corporation under which the greater part of the country is now serviced is well known to all hon. members.

With reference to the Radio Canada building in Montreal, I am sure that all hon. members are familiar with that building. I was glad to hear the words of commendation from the hon. member for Winnipeg North and the hon. member for Eglinton. I am sure that they feel, as I do, that when this building is completed we shall have a radio centre second to none in the world. Within

the last two or three weeks I have had the opportunity of visiting a number of radio centres, including the British Broadcasting Corporation in London. They have not anything such as we have. It is true that in London they propose to change from Alexandra Palace to another location, but at the present time their studios do not compare to the splendid studios we shall have in the Radio Canada building.

It is true that this has cost a lot of money. We did pay a considerable amount for the Ford Hotel building, including the purchase of the franchises which already existed. While it is not on the record that an appraisal was made of this building, I made it my personal business to interview people in Montreal who were able to give accurate information as to values and I was told that this was a good bargain at the price we paid. I am willing at any time to substantiate and back up the deal.

With reference to the transformation of the building into studios and the purchase of equipment, I am ready to admit that some of our estimates fell far short of the actual cost. In this connection I should like to give one example. A control board was needed and it took the companies that tendered something like six months to figure out their tenders and they varied all the way from $175,000, which was the figure of the Northern Electric Company, up to $375,000. When concerns in a particular business show such great variation in their estimates on a piece of equipment I think it can be readily understood why some of our estimates did not equal the actual cost. All in all it is going to take a revote of $678,000, plus an additional $300,000, to complete the building. But when the building is completed, the Canadian people will have the most outstanding broadcasting facilities in the world.

With regard to television, I cannot agree with the hon. member for Eglinton that we have been dilatory in announcing a policy or in carrying it out for the Canadian people. I remember over two years ago I went to New York and visited the studios of C.B.S., the National Broadcasting Corporation and of private concerns, and I made it my business in February to go to Chicago to see what was new there.

I found that within the last two years while there have been some advances they have not been great. In the meantime the broadcasting corporations and private industry have spent something like $50 million in an attempt to develop television. I am not ashamed to say that two years ago my advice to the Canadian Broadcasting Corporation was to delay for a time any expenditures on experimental work until we saw what advances were made in the United States. We might be accused of hanging on to their apron strings, but they had a lot more money to spend than the Canadian people, and we had no appropriation to carry out that work on behalf of the Canadian people.

Today we are able to start in with no cost at all and take advantage of the advances that have been made. Television is going to mean a lot to Canada, but it is going to cost a lot of money. As I indicated when the policy was announced, the $4,500,000 will provide only for telecasting in two languages in Montreal and in the city of Toronto. Before facilities are extended to the greater part of Canada it will cost between $10 million and $15 million.

Private industry has not been in too great a hurry to get into this business. It has been found from the experience in the United States that it costs approximately half a million dollars to set up a station, and you must be prepared to take a loss of half a million dollars before commercial advertising will place you on an earning basis. We have guarded the Canadian people against the granting of licences to people who were not prepared to go ahead. We do not want them to have the advantage of having television licences and then trafficking in them because of their increased value.

I am particularly pleased with the progress we have made. I wish to say just a word about what television will mean with regard to the electronics industry. I should like to quote an article from the *Financial Post,* of June 17, entitled, "TV sales climb here; export parts to U.K." It reads:

> The television virus which is spreading like wildfire through the United States is gradually infecting Canadians who are within range.
>
> At last count (April 30):
>
> 13,500 Canadians had bought television receivers. At an average price of around $400, they had dug down for a healthy $5.4 million since Canadian General Electric turned out the first Canadian set in 1948.

That is just two years ago.

> TV antennae are sprouting from more and more rooftops in the fringe areas where U.S. stations can be picked up: about 2·5 million persons in southern Ontario are within range of stations at Buffalo, Rochester, Syracuse, Erie, Cleveland, Toledo, Detroit; about 100,000 in the Vancouver area can get Seattle.

That means that something like 2·6 million people in this country are already within range of television stations and able to receive television programs. As at April 1 some thirteen Canadian radio manufacturers were making television receivers. So far this year they have made 5,300 sets.

Projected production for the year is 31,000 sets, with some estimates going as high as 35,000. Canadian General Electric is already producing cathode ray or picture tubes for domestic purposes, and within the last few months received an order for cathode tubes worth half a million dollars for delivery to the United States, thus giving work to Canadian people.

Some criticism has been directed toward the Canadian Broadcasting Corporation for not buying their transmitters from Great Britain. We in Canada are adopting the United States standard in television. This means that United States and Canadian receiving sets will be able to record the programs coming from both United States and Canadian telecasting stations. Had we adopted the British standard, while the British machines would have been able to record the telecasts of Canadian stations, they would not have recorded those of United States stations. Therefore one order was given to Canadian General Electric and the other to RCA Victor. Canadian General Electric equipment is manufactured in the town of Peterborough, and seventy per cent of the content of that transmitter will be of Canadian manufacture. While I was in London I had the privilege of visiting the great factory of the Marconi wireless people in the city of Chelmsford. I went there because the Canadian Broadcasting Corporation has already given them orders on a competitive basis for over $600,000 worth of equipment, thus giving Britain Canadian dollars with which to buy Canadian products.

I am not going to say anything further, except that I have carefully read the record of proceedings of the committee on radio broadcasting this year, and I want to commend the members of that committee for the very thorough manner in which the affairs of the broadcasting corporation and the international shortwave broadcasting station were reviewed. I believe the report tabled by the chairman of that committee was excellent. I must not close without mentioning the reference by the hon. member for St. John's East to the use of the word "burdensome". Perhaps that was not the right word. I meant it in the sense of an obligation, that an added obligation had been assumed, which I am sure the hon. member must recognize.

Mr. Higgins: You did not mean you were taking over a deficit?

Mr. McCann: It was not meant in that sense at all. We are very glad to have been able to link up our broadcasting facilities with those of Newfoundland. The comment I have heard by people from that province is that they are pleased with the splendid additional programs they receive over the trans-Canada networks.

Mr. Higgins: I am very happy to have the explanation by the minister; I am so glad he agrees that in taking over the Newfoundland broadcasting system the C.B.C. got an asset. A correspondent writes me stating that at the time the system was taken over there was a vacancy on the board of governors of the C.B.C., and he suggests that it was rather a discourtesy that the chairman of the Newfoundland broadcasting system was not appointed. Is there such a vacancy, and is there a possibility that the former chairman might be appointed to it? The other question is not mine; before he left the hon. member for Eglinton asked me to put it to the minister. He mentioned a figure of $962,000 as the deficit, while this estimate calls for $650,000, and he would like to know the reason for the difference.

Mr. McCann: I explained that a moment ago. They worked out the deficit as $962,000; but included in that, as I am sure the hon. gentleman will understand, was provision for depreciation, which was a very considerable amount. This was brought to the attention of the broadcasting corporation, who were asked to revise their figures, and this $650,000 will meet the actual cash deficit.

Mr. Higgins: Then what about the vacancy on the board?

Mr. McCann: There is one vacancy at the present time. I believe the act requires that the members of the board of governors shall represent different occupations and geographical districts. The present vacancy was caused by the resignation of the gentleman who is now lieutenant governor of Alberta, and the west feels that it should be given representation. However, I shall bring the suggestion of a representative from Newfoundland to the attention of the government when the vacancy is being filled.

Mr. Higgins: I can assure the minister that the former chairman of the Newfoundland system would be an admirable member of the board in every way.

Mr. Smith (Calgary West): I am sorry I missed the earlier remarks of the minister, because I always listen to him with great interest. However, I have been in the railway committee room, listening to something even more enjoyable.

In view of his compliment to the committee, of which I was a member, I must say that I think this year's committee was the most useless I have ever known to be set up by this house, though no doubt it was asked

for by someone on this side. I made that very plain the first minute of the first day we sat. There we were, carrying on a review parallel in every particular with that which was carried on by the Massey commission dealing with the fine arts, culture and so on. I assume they included radio broadcasting under the broad term "culture"; otherwise I don't know how it could have come in through the door. I felt that we were duplicating the work of the Massey commission. I attended every sitting I could, and in the committee we were in this position: We heard only the officers of the broadcasting corporation, with the exception of a contribution made by a member of the Department of Transport, Mr. Browne, and a gentleman from Toronto whose name escapes me at the moment. So as far as the policy of the Canadian Broadcasting Corporation is concerned, we had only a one-sided picture.

I am not complaining. Everyone had full opportunity to come and state his views if he wished to do so. I assume that most people agreed with the idea I had, that we were pursuing a phantom and uselessly expending a great deal of time, at the same time making the job of the officers of the corporation infinitely more difficult. I did not hear the minister's remarks, and if he has answered this previously, I hope he will quickly tell me. The inquiry I make about television is this. I hear from people who should know that there are many more bands for television than for ordinary sound broadcasting. I heard the minister say that if someone starts a station he must be prepared to lose something in the neighbourhood of half a million dollars in order to get it on its feet. If someone wants to lose half a million dollars, why don't we let him do it?

We are going to have television stations in Montreal and Toronto, which will be a very satisfying business for the people who live in that neighbourhood. While a great deal of the tax money comes from that area, ultimately the rest of us are going to be paying for television for those people. We in the distant points hope that some day we shall have the privilege of buying a television set and enjoying it. What I am utterly unable to understand is this. If a person in the city of Edmonton wants to lose his money in an effort to give that area television, why in the world is the Canadian Broadcasting Corporation, who admittedly are doing nothing in that area and do not intend to do anything for some time to come, prohibiting the establishment of that station? Why is it the policy of the government—because it is the government which issues the licence—not to permit someone to attempt to make television go in these outlying places?

I know all the arguments in favour of Canadian culture, and I know that we are going to have Canadian programs. I trust some day you will find someone to listen to them; that is at least a hope I express. I cannot see why the government, or the government-owned corporation, should not let anyone, shall we say in Edmonton, attempt to establish a station. Give him a licence; let him spend his money; and reserve to the corporation any number of bands which they might at some future time require. I cannot see that to do otherwise is good business or common sense.

I want to pay a compliment to our committee chairman this year. He had nothing very difficult to do, but he is one of those fellows who can do a pleasant thing in a very difficult way. This year he did not do that; he was good-natured throughout the piece, and I am sorry I missed the opportunity of shaking hands with him when we had finally got our report together. It was a very pleasant experience; in fact it was a joy right through. There was nothing to the whole business at all. I heard someone say "carried", and that is the kind of committee it was. There is no doubt about that; the word "carried" came in and you did not even have to press a button. The "carried" boys were all there, well schooled and anxious to exercise their throats in the one way, by calling "carried".

Item agreed to.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

183. Departmental administration, $321,042.

(Translation):

Mr. Dumas: Mr. Chairman, I do not intend, at this stage of the session, to launch into a discussion on the estimates of the Department of Mines and Technical Surveys. However, as the mining industry ranks third, in our country, both in production and exports, I believe it well deserves a few minutes of our time.

There are several mines within the limits of the constituency of Villeneuve and it behooves me, I believe, as the member for that constituency, to draw the attention of my hon. friends to certain facts and to quote certain figures which may help them to understand the true importance of this industry.

(Text):

Mr. Chairman, when we look at the country's record for the first half of the century, we realize what mining has done in transforming the economic and social life of the country. If our country is a leading power in the complex world of today, it is due to the

great expansion of its mining industry. Canada leads all other countries in the production of asbestos, nickel, platinum and its associated metals; Canada is second in zinc and cadmium, third in gold, copper, magnesium and cobalt, and fourth in silver and lead. We have reason to be proud of our country's record in mineral production during the second world war, when the allied nations were so pressed by an urgent need for base metals.

During the six war years, the total value of our mineral production amounted to over $4 billion. Of this, $1 billion worth of base metals only was contributed to the war effort, including 3·6 billion pounds of copper, 1·26 billion pounds of nickel, 1·6 billion pounds of zinc, and 1·3 billion pounds of lead. That is a fair record for a country like Canada. It is true to say that we surprised ourselves with the vastness of our own war contribution.

In time of peace we are continuing to produce minerals at an accelerated pace. The total Canadian mineral production for the year 1945 amounted to $499 million; in 1947 it amounted to $645 million; and in 1949 to the spectacular figure of $890·2 million. This last figure includes the production of Newfoundland, which amounted to $25·7 million. These are impressive figures if we consider that the total mineral production in Canada during the year 1900 barely exceeded $64 million.

According to the most recent survey the production of 1949 is divided as follows: Metallic metals, $534·8 million, including gold to an amount of $147·8 million; non-metallic metals—that is fuels—$184·2 million; other non-metallic metals, including asbestos, barite, salt and quartz, $62·3 million; clay products and other structural materials, $108·8 million.

The mining industry is the third leading producer in Canada. Not long ago we could read in the *Financial Post*, immediately before the trade fair took place in Toronto, this title: "Canada: The largest per capita trading nation in the world". Below that we could also read:

> In the past thirty years we've seen $80 billion of goods and merchandise cross our borders.

Our total export in 1949 amounted to $3 billion and the leaders in the commodities which were exported were the following: wood, wood products and paper to the amount of $875·3 million; agricultural and vegetable products, $773 million; non-ferrous metals, $426·6 million. The world today has become dependent upon Canada for such necessities as nickel and asbestos. Without our mines humanity would be sadly deficient in gold, silver, copper, zinc, lead and platinum. Canadian uranium played a vital role in the development of atomic energy. In metals, above all, Canada outdid itself not only in quantity but in quality and diversity. As countries go, Canada is still young.

The foregoing is a short résumé of its achievement in mineral production. It is, we can say, our duty to keep up the pace.

Here I should like to refer hon. members to an article which appeared in *Saturday Night* of June 27. I should like to read these few lines:

> Prospects for the sale of Canadian metals in the United States never have been as promising as they are today. . . . In the 12 months ending February 28, 1938, the United States imported $43 million worth of non-ferrous metals from Canada. For the 12 months ending February 28, 1950, they had jumped to $198,800,000.

These are impressive figures. In another paragraph we can read the following:

> The U.S. has less than a 35-year supply of 21 out of 35 minerals. Some of these, such as petroleum, copper, lead and zinc, are minerals in which the United States led the world for many years.
>
> While the U.S. has lost her leadership in the raw materials field, Canada is fast becoming the world's greatest source of such items as copper, zinc, lead, nickel, and aluminum. Tomorrow she may take her place as one of the leading producers of iron ore, petroleum and titanium.
>
> Non-ferrous ores and metals constitute the largest single classification of imports to the United States. Ores and metals were brought into the States to the tune of approximately $550 million in 1947; $775 million in 1948, and $840 million in 1949. And such shipments bid fair to be much higher again this year.

After taking cognizance of this article we can see that in the United States we have a big market for our metal production, and it is up to us either to increase our production or to find new mines.

Here I should like to say this. If our country is a leader today in base metal production and if we are capable of such achievements in mining during the first part of the century, I will venture to say that it is owing to the incentive our prospectors had when they were prospecting, always hoping to find that famous gold mine.

Today many people think that the gold mines are not so important. But I will say this; it is owing to the fact of the prospectors looking for gold mines that our base metal mines were found. We must not forget that fact. Besides that, the production of gold during the last three years has been increasing, owing to the encouragement on the part of the government. The gold production in Canada from 1858 to 1949 amounted to $3.3 billion. The gold production in 1945 amounted to $103.8 million; in 1946, to $104 million; in 1947, to $107.5 million; in 1948, to $125.6 million and in 1949 to $147.7 million. We

see that there was a substantial increase from 1947 to 1949. We know that it is mostly due to the Emergency Gold Mining Assistance Act which we call EGMA as an abbreviation.

Hon. members are aware that this act will terminate at the end of December, 1950. I will not ask the minister to state definitely what the government intends to do after that date, but I will urge him to study closely all that is related to the gold mines. For instance, we know that some gold mines do not need this emergency assistance; on the other hand, we know that other gold mines need it. The word "emergency" was correct when the government passed that act and it is still correct today in the case of many mines. If the low-grade mines today did not have this act to help them, and did not have this bonus, they would certainly be obliged to close. That would be a bad thing. It would have a very bad effect on many parts of the country from British Columbia to the maritimes. I shall cite only a few instances in my own constituency and especially in my own town where we have four gold producers and they are all low-grade mines.

Mr. Smith (Calgary West): Will the hon. member permit one question before he leaves the last subject? He gave us the increase in dollar value of gold production throughout the area. What relation to that increase do the subsidies paid by this government bear? In other words, suppose we gained $2 million in one year, how much did we put out by way of subsidy in that year to get the $2 million gain?

Mr. Dumas: I will tell the hon. member for Calgary West that it was not only an incentive to the gold mines to produce more gold, but without it some of the gold mines would have been obliged to close their operations. If it had not been for the bonus these gold mines would have had to shut down.

Mr. Smith (Calgary West): I favour the subsidy. But I wondered how it compared with the amount of new gold we mined.

Mr. Dumas: In 1948 it cost the government $10 million in bonuses paid to the gold mines, and the increase of gold in that year amounted to $16 million. From 1947 to 1948 $16 million worth of gold came to the government.

Mr. Smith (Calgary West): In other words, we paid $10 million to get an increase of $6 million.

Mr. Dumas: Yes, but I ask the hon. member to recall that in the first year of the act all the gold mines could not get organized in the space of a few months to produce more gold. He will notice that in 1949 the production jumped to $147 million, and it did not cost the government any more for these gold mines to produce $40 million worth more of gold in 1949 than in 1947. Therefore I think it paid the government, because of the bad situation we were in so far as United States dollars were concerned.

Mr. Smith (Calgary West): I agree with the bonus. I just want to find out what the bonus paid. We paid 25 cents to get a dollar back.

Mr. Dumas: I do not want to take up too much of the time of the committee. I ask the minister to think seriously of extending the bonus into 1951, but probably on a diminishing scale. I ask him to extend the bonus so that our marginal mines can keep on producing gold that we need and also as an incentive to prospecting. We know that our prospectors will go into the bush and try to find a gold mine but they will not go into the bush and try to find a base metal mine. It has been proved in the past in all the mining districts of Canada that wherever the prospectors went to find gold mines they also found base metal mines, and our base metal mines are leaders in our mining industry.

Mr. Smith (Calgary West): I have only a word to say, and I am going to say it on the first item. I think I may ask questions here which can be answered now, and we shall save the time of the committee and save me the trouble of asking them on the individual items. The first question is very narrow. I want to know what this geographical names board is, and what portion of the $1,386,410 goes to the geographical names end of it. The next question is a broad one. If you look at items 188 to 196 you will observe that they are items in connection with surveying. If you turn over the page you will find that we are paying the Royal Canadian Air Force the same sum in both years, namely $1,340,000. I am not complaining about this cost. My only worry is this. Do the items which I mentioned a moment ago eliminate all air service in connection with surveys? In other words, does the $1,340,000 mean the total paid to the air force in connection with all surveys? I assume that is probably correct; but in trying to follow the items, the numbers of which I gave, I should like an answer to see whether there is any overlapping in any of these items. First I want to know about the geographical names. I do not know what it means.

Mr. McCann: Would it suit the hon. member to wait until we come to these items?

Mr. Smith (Calgary West): I had hoped the minister would answer it now and I would not have to wait, but I will wait.

Mr. Browne (St. John's West): Hon. members may feel that Newfoundland is getting a lot of prominence in the discussion of these estimates, but it is because it is the expiry of the first full year of union.

The report of the Department of Mines and Resources which I have in my hand deals with the fiscal year ended March 31, 1949, and it is very difficult to know exactly what was done in Newfoundland during the past summer. In reading the report I notice that a great deal of investigation has been going on in different places on geological, hydrographic, topographic and engineering work. I am wondering whether we have to wait until next year before we get any indication of any discoveries that were made in Newfoundland.

In connection with these reports, I also notice that the department is assisting industry to a very large extent, making studies of minerals, and helping in the search for minerals. In Newfoundland, as hon. members know, we have three mines, the iron ore mine on Bell island, the lead zinc nickel composite ore at Buchans and the fluor spar mine at St. Lawrence in the southern part of Newfoundland. In addition to that the country is highly mineralized. In the past we have suffered from lack of trained geologists. We have only one geologist at work in the island. Before he was appointed we had to engage a man from Princeton, Professor Snelgrove.

Great work was done in the early days by Mr. Howley, but nothing compared to what is going on in the other provinces of Canada. I am wondering whether the minister has considered extending the services which have been given to other provinces in regard to these minerals, which are considered the most profitable at the present time.

We have an oil well at Parson's Pond, which was discovered over a hundred years ago, but we do not know the extent of it, and we cannot know it without proper geological and more intensive surveys. I do not know what facilities the department has for estimating what quantity is there but I understand that the provincial government is engaging the services of an airborne magnetometer for this summer. With regard to radioactive investigation, I saw in one of the local papers that a discovery of radioactive minerals had been made down there. I am wondering if that has been brought to the attention of the minister's department? Finally, what relationship is there between this Department of Mines and Technical Surveys and the department of resources in Newfoundland?

Mr. McCann: There is no relationship between this department and the provincial department; but there is a very close association whereby we put the services of the Department of Mines and Technical Surveys at the disposal, so to speak, of the provincial department.

With respect to the work going on in Newfoundland, or that contemplated this summer, one engineer will be there to make a general investigation of the mineral resources of the province. At the same time he will act as deputy inspector of explosives. A ceramics engineer will investigate the clay deposits and will assist the brick industry. A third engineer will make a survey of peat bogs for the provincial department of agriculture, and will also investigate the suitability of peat for fuel purposes.

We intend to put out a number of parties. In connection with the geological survey we will have four field parties. In topographical survey we will have five field parties, and three in the Quebec-Labrador section. In the hydrographic surveys we will have three boats charting Newfoundland waters; in the geodetic survey we will have four field parties, and five in Labrador. In the legal survey we will have one field party on radar altimeter work. In the geographic branch we will have two field parties in Labrador and two in Newfoundland. In connection with the dominion observatory there will be one party on magnetic surveys work, and there will be aerial photography of 14,183 square miles of Newfoundland done by the Spartan company and 800 square miles of Labrador done by the R.C.A.F.

I suggest that contemplates a very good program for the first years in which we have undertaken to do work in that province. The party is made up in some instances of an engineer and four or five other people. Parties can be either larger or smaller than that. So that in all these different branches of the Mines and Technical Surveys department, including geological, topographical, hydrographic and so on, we are detailing to Newfoundland a very fair proportion of the available staff for this kind of work.

Mr. Browne (St. John's West): The minister did not mention the work done last year. Did he have parties in all these branches then, too? If a person is interested in a mineral deposit how does he go about having an investigation made? I would understand that he would have to go to the geological branch in St. John's, and a geologist may turn him

down. I have done that for years in connection with a property in which I was interested. Promises were made to me, and I was put off.

The area to which I am referring is highly mineralized. In the area of Placentia Bay copper is to be found in several places. Fee simple grants have been given because a certain amount of mining has been done. This was done under the old system. Under the modern method it should be possible for a geologist to give some account as to the economic value of these deposits. There are three places I have in mind, the first of which I have mentioned, the other two being Fleur de Lys and Baie Verte. The people interested in the minerals at these points do not seem to be able to get ahead. They are not satisfied with the work done by the local geologists. I suggest the department should be guided to some extent by the reports which have been given in the past. I know that there have been favourable reports about the three places I have mentioned.

Mr. McCann: It is not the policy of the government or of the department to make examinations at the public's expense of every private property, and to give an opinion upon it. It is the policy of the government to study the general conditions. Ore that might be found in any particular area could be sent to headquarters at Ottawa where it will undergo an examination and a report will be made upon it.

Mr. Browne (St. John's West): In the neighbourhood I have mentioned there should be other deposits worthy of investigation.

Mr. Murray (Cariboo): Is there any likelihood of renewing the dominion-provincial arrangements whereby assistance was given in connection with the construction of trails and roads leading to mining areas? This policy in the past has resulted in bringing in a good many mines in British Columbia, and in the north. I would hope it might be resumed.

Does the minister not think that the project launched by the board of trade of Niagara Falls for the casting of silver dollars by the Canadian government is one which should interest the mining fraternity? We in the Cariboo are large producers of silver. The same applies in Quebec, Manitoba and other provinces. While I have not any desire to introduce the subject of monetary reform, I do suggest that the value of a silver dollar as a souvenir, particularly for the tourists, is something which should not be overlooked. I should like to see a policy whereby instead of exporting our surplus silver to the United States or Belgium it would be retained in Canada and coined into silver dollars so that it might be made available for general circulation particularly in those areas visited by tourists.

The mines branch in Canada has always led in the development of that industry. Reports were made by Dr. G. M. Dawson of the geological surveys branch in the early days of our country. He made a blueprint of all the mineral-producing areas we have in Canada today. Dr. Eugene Haanel and Dean Brock of the geological surveys branch, and later of the university of British Columbia, contributed greatly to the mining industry in our country. I believe this work could be encouraged.

I have only one suggestion to make to the minister, and that is that in connection with the oil industry we should have here in Ottawa an engineer of outstanding ability to make a check on the new oil wells being brought in in Alberta and the northwestern part of the country. Thus we would have available an exact, authentic and official record for the guidance of investors and for the general shaping of this great oil industry which has been developing in our land.

Mr. Smith (Calgary West): Perhaps I could answer the last part of the hon. member's speech. All the information needed by the hon. member for Cariboo could be obtained from the oil and gas conservation board of Alberta. Dr. George Hume is in charge of this work in Ottawa, and I do not think a better man could be found to do what the hon. member has suggested.

Mr. Higgins: Will the minister state briefly his opinion of the Labrador-Quebec iron ore potentials, and what effect this development will have upon the St. Lawrence seaway?

Mr. McCann: That is a pretty large question. The reports are that there are enormous deposits of iron ore in Labrador, and private interests have indicated that they are prepared to spend between $150 million and $200 million in building a railroad, developing water power and bringing out the ore. My hon. friend asks what effect this will have upon the St. Lawrence waterway. Any extensive development of natural resources cannot help but be of benefit to the whole country. I think it is proposed that when this ore is produced, part of it will be smelted in Canada and part of it somewhere in the middle west and along the eastern seaboard of the United States. We have continuous negotiations with the promoters and the people who are sufficiently interested to put up their own money, and progress is being

made with regard to this development. I understand the actual starting of the development is awaiting further drilling and testing so that a sufficient quantity of ore may be outlined to guarantee the life of the property for a great number of years.

Mr. Higgins: Will the water powers of Labrador be used, and who is going to carry on this development?

Mr. McCann: Our information is that the development might start in 1951, and from what I have read I understand that it is proposed to use potential water power in Labrador. This development is being carried on with a combination of United States and Canadian money.

Mr. Higgins: The principal company being?

Mr. McCann: There are a number of companies, one being the Labrador Mining and Exploration Company. The Canadian interests are the Timmins people, who are the owners of the Hollinger mine. They were initially responsible for the development.

Mr. Higgins: How much ore has been blocked out so far, and how much will have to be blocked out before production actually starts?

Mr. McCann: I understand they have in the neighbourhood of 300 million tons, and they would like to block out in the neighbourhood of 350 to 400 million tons before starting the actual development.

Mr. Higgins: Will Labrador power be used for smelting?

Mr. McCann: That is a possibility.

Item agreed to.

Mines branch—

185. Mineral resources investigations, $1,722,053.

Mr. Black (Cumberland): What work has been carried on under this vote, and what have been the results?

Mr. McCann: This vote provides for office, laboratory and field investigations relating to metallic minerals, industrial minerals, fuels, and mineral economics. The Geology and Mines Act of 1907 provided that the mines branch of the then department of mines was "to make such chemical, mechanical and metallurgical investigations as are found expedient to aid the mining and metallurgical industry of Canada." The present mines branch assists the bringing into production of Canadian mineral deposits by developing suitable ore-dressing and beneficiation methods. Research is being carried out to find efficient processes for treating low-grade and complex ores and to find means of lowering the costs of producing such metals as lithium and titanium.

The facilities in physical metallurgy are used to assist Canadian industrial development, and major problems in research concern advice and assistance to the national research council in connection with the atomic energy project. Co-operation with the Department of National Defence and with manufacturers of equipment involves various fields of research on alloy metals, including testing and development to find metals most suitable for service at extreme low temperatures and other metals which will withstand the extremely high temperatures required for jet propulsion. The branch, at the request of national research council, has undertaken investigations into the application of radioactive tracer materials for industrial and scientific problems. Some of the problems involve work of highly confidential or secret nature. In the field of fuels, close liaison is maintained with the dominion coal board, and major projects on coal include evaluation of Canadian coals for stoker operation and research on pressurized combustion to develop the use of coal in turbine propulsion. The problems in coal, natural gas and oil technology referred to the branch are many and varied. Included in the investigations and experimental work is the means of extracting and utilizing the oil in the bituminous sands of Alberta.

The hon. member's question referred more particularly to Nova Scotia, but the principles I have enunciated would apply to that province as they apply to other parts of Canada.

Mr. Black (Cumberland): How much work has been done and what has been accomplished?

Mr. McCann: There are two resident geologists in Nova Scotia, and with their parties they are engaged in exploring possible extensions of the coal properties in that province.

Mr. Black (Cumberland): What results have been accomplished up to now?

Mr. McCann: If the hon. member would be content to allow me to defer that answer, I will try to get it a little later.

Mr. Gillis: Supplementing what the hon. member for Cumberland has said, I find it difficult to understand where all this money goes to. This survey in Nova Scotia has been going on for the last eighteen months, at least, and a million and a half dollars is a lot of money to have been spent last year in that field. The mining association met in Nova

Scotia within the last week; the press gave a complete report of government undertakings in that province in that field, and they sound very good. I have also gone over the report of the mines branch, but it devoted only about one paragraph to the survey going on in Nova Scotia.

It seems to me that government departments carrying on this kind of work, involving large expenditures of public funds, at least should make some comprehensive report to the minister and to the house to justify the appropriations. I find it hard to understand what is going on. I thought the mineral resources of Nova Scotia had been pretty well mapped out a long time ago. I know it is a good many years since I read the geographical surveys of the coal companies and papers and articles by F. W. Gray. The provincial department of mines did a great deal of work in that field, too, and I have wondered what kind of supersurvey was being carried on now and what results we got from the expenditure last year. I am glad to see this being done, if we can find out exactly what is going on. What progress was made last year which would justify the amount appropriated for that project in Nova Scotia?

Mr. McCann: I will get further information as to just what has been done in Nova Scotia, but if the hon. member turns to page 159, where the details of this vote are set out, he will see that $405,000 is for the permanent staff, which includes highly trained and highly paid technicians, scientists, assayers, chemists, electricians, engineers and so on. Then the temporary staff accounts for $718,000. There is $30,000 for casuals, an amount for overtime, and the necessary expenditures for printing, stationery and travel. There is an item of $296,000 for the acquisition of equipment, and $140,000 for supplies and materials; and the comparison is given with the previous year. Few of the people engaged in this activity are in the field; most of them are in the laboratories here in Ottawa, known as the Booth street property. There samples of ore are tested; investigations are made in reference to the mineral resources of Canada, and so on. While what is done in any particular province is not kept segregated, field parties are sent out every year with a view to keeping up to date with any mineral properties that may be found, or extensions of present fields.

Mr. Gillis: That statement would hardly justify the expenditure of this amount, if you are just going to spend it on highly trained technical employees. What I have in mind is that in the field of geology I thought the work in Nova Scotia was pretty complete. It is largely a question of coal in that province; that is about all they will find there. I was wondering if this department was carrying on any research in the direction of finding new uses for coal. Oil is very definitely entering that field, and I think the time is not far distant when we may have to take the by-products of coal and use them for commercial purposes. That industry is shrinking; and I do not think the discovery of new coal fields is the answer, because the markets already established are disappearing. I wondered if some of this money was being used in research of that kind, instead of sending out geological parties to find more coal.

Mr. Herridge: I understand that some of the research staffs of the large mining companies in Canada are working with research workers of this branch in the laboratories of the department.

Mr. McCann: That is right.

Mr. Herridge: What arrangements are made for the research men of private companies who work in the laboratories of the bureau of mines; and are any discoveries made there available to all companies in Canada?

Mr. McCann: We do provide facilities for private companies to carry on experimental work in our laboratories. Such work is being done at the present time by a number of companies, more particularly one from northern Manitoba which is attempting to work out a new process for the smelting of nickel. We co-operate with them, give them all the assistance we can, and any finds made by our people are available to the general public. Anything new developed privately is a matter for the people concerned in its development, but as a rule it is given to the public later.

Mr. Black (Cumberland): I understood there were enormous deposits of nickel ore in the northwestern parts of the prairie provinces. Can the minister make any statement in that regard, and what part the department has played in those discoveries?

Mr. McCann: I do not know that I can give any more information than I have just given the hon. member for Kootenay West. I should like to answer the question concerning these surveys in Nova Scotia. The answer is that surveys of various Nova Scotia coals covered their physical and chemical properties, and so on; producing better and more marketable products, and eliminating waste; the interrelation of coal seams to aid in determining the future course of mining development. That is the work being done in reference to the coal industry of Nova Scotia.

Mr. Black (Cumberland): Does that include examination into the practicability and necessity of washing plants for certain grades of coal?

Mr. McCann: I am told we do that work, too.

Item agreed to.

Mines branch—

187. Investigations of radioactive ores, $280,991.

Mr. Harkness: Would the minister tell us what this branch does? In the details at the back I notice that only three permanent employees, one chemist and two engineers, are listed. Is this branch chiefly concerned with what might be called assaying samples of radioactive ore sent in, or is it chiefly concerned with the investigation of any ore bodies that may be reported?

Mr. McCann: This appropriation is to maintain the services of the radioactivity division of the bureau of mines. These services were commenced in 1945 at the request of the minister of munitions and supply and the president of the national research council for the purpose of carrying on research on ore dressing and recovery of uranium from ores from the crown-acquired Eldorado mine at Great Bear Lake. The services to the crown company, Eldorado Mining and Refining (1944) Limited, are increasing in importance with the understanding of large-scale experimental work on the problem of recovering uranium lost by present methods of treatment. The policies of the atomic energy control board, in stimulating search in Canada for uranium-bearing minerals, are having widespread effect in causing new discoveries and the board takes the view, for security reasons concerning processes, that the burden of assaying and carrying on development of ore treatment methods for privately controlled uranium enterprises should be borne by the mines branch. The work of the section is part of the secret atomic energy project being carried out by certain government departments. Included in the activities is research into methods of detecting uranium which may have an important bearing upon the results of future prospecting in Canada.

The development of uranium ores, as I am sure the hon. gentleman knows, has been stimulated greatly by the increased price for uranium oxide. At the moment I believe it is somewhere in the neighbourhood of $6.00 per pound as compared with $2.75 per pound about a year ago. There has been a lot of activity in that particular development. The government, through Eldorado Mining and Refining Company, is in the market for uranium oxide as it is produced. The department of mines attempts to assist people by giving them such information as is available concerning the places where uranium might be found, taking into consideration geological factors. The department gives information with regard to the type of instruments which are now being used for the detection of those ores.

Mr. Harkness: I understand this particular branch is concerned with working out a new process for the recovery of uranium ore, and also with giving advice to people who are attempting to find those ores. Has the department anyone who goes out to the places from which samples have been sent to survey the ore body in order to determine how much there might be? The reason I ask the question is that the extent of the uranium ore which we have is a vital matter from the atomic point of view, and a vital matter from the defence and security point of view. I wondered whether either this particular branch or any other branch of the department has mining engineers who go out to the places where ore bodies have been discovered to make surveys?

Mr. McCann: Yes, we have an appropriation here of $8,000. This $8,000 is for field investigation of radioactive mineral occurrences which are brought to our attention, and which we consider are worthy of more detailed examination. In addition to that, geological parties that are out in the field will make examinations of particular ores that are brought to their attention.

Mr. Maltais: In view of what the minister has said, I wonder if he has any information about a survey having been made in the province of Quebec, in the county of Charlevoix, in the vicinity of St. Simeon?

Mr. McCann: I understand that a geological party of the province of Quebec is engaged in surveying this area. So far as analyses are concerned, we do not give the result publicly. They are given privately to the people who send in the sample.

Item agreed to.

Geological survey of Canada—

188. Geological survey administration and miscellaneous services, $156,300.

Mr. Smith (Calgary West): Mr. Chairman, you will observe that the votes from No. 188 to 196 involve surveys. I have examined them, and I have no particular questions to ask, except if the minister would relate them to the item over the page which concerns payments to the Royal Canadian Air Force and commercial companies for air photography, and to defray the expenses of the interdepartmental committee on air surveys, $1,340,000. I believe I have referred to all the items with respect to surveys other than the one which

I have read. I am only anxious to know whether this vote No. 201, $1,340,000, covers the total cost of air services in connection with these many surveys which are mentioned on the previous page?

Mr. McCann: The answer is no, it is not the total cost of air services. This item of $1,340,000 has to do only with aerial photography. About $250,000 of this sum goes to private companies which have contracts to photograph 64,000 square miles, and $1,100,000 goes to the R.C.A.F. who will photograph about 200,000 square miles.

Mr. Smith (Calgary West): Apparently I have not made myself clear to the minister. Let us take item 189, which reads:

> Geological surveys, including an amount of $2,500 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and a contribution of $3,000 towards the Arctic institute expedition to Baffin island, 1950.

Then there is the surveys and mapping branch, surveys and mapping branch administration, and what I am trying to find out is —I think this must be so—whether that $1,340,000 is the total paid for air work in connection with the items listed on the previous page.

Mr. McCann: Well, I am informed that the vote of $1,340,000 has nothing whatever to do with these other votes. That is money paid out to the private companies and the R.C.A.F. for aerial photography, but in carrying out the other surveys, geological surveys, topographical surveys, hydrographic surveys and geodetic surveys, there are expenditures for aerial transportation of the parties distinct from the amount the hon. member is questioning us about.

Mr. Smith (Calgary West): I rather fail to understand it, because the only use you can make of surveys by air is to fly over and look at the ground beneath you and then to photograph it. That is all you do on an aerial survey. If you will notice item 189 which I just read, you will find there that we are spending $1,524,774, an increase of $329,409. I hope the minister will appreciate the fact that I am not criticizing this. I assume that the increase in the vote must be for more extensive work. What I am trying to find out is how much of the money we are spending is going for surveys by air and how much of it remains for surveys on foot, by motorcar or on horseback. In all these items on the first page to which I referred, page 29, it is difficult for anyone to segregate the various types of effort which we are putting forward. If air surveys are also included in items 188 to 197, it does not give us much information to say that the air force and private companies doing aerial photography are getting $1,340,000. We do not know what portion of these other items are going to aerial surveys, and I have read as carefully as I can the details given later on in this book.

I want to ask one other question. I take it that the minister may answer both questions at the same time and then I at least have finished. I wish he would tell us separately about item 191, topographical surveys—I know what that means—including expenses of the Canadian board on geographical names. When the minister rises, I wonder if he would tell us about that. Then I have nothing further to bother him with.

Mr. McCann: I think I can deal with those matters now satisfactorily. This vote of $1,524,774 is to continue the geological survey of all the provinces of Canada, the Northwest Territories and the Yukon, with the object of determining potential sources of minerals, oil and gas; to initiate and maintain research facilities in all the branches of geology, with the object of advancing the practical application of geology to the search for mineral resources; to compile records and issue maps of field investigations and studies for the purpose of informing and assisting prospectors, mining men and others interested.

The principal increase here is in salaries. The increase is $329,000. Of that, the principal increase in salaries is $142,000; field surveys, $109,000; acquisition of equipment, $45,000. These increases are based on additional requirements for personnel and equipment for an increase of about 20 per cent in the number of field parties that are sent out in the summer; additional personnel, instruments, equipment, etc.; and for the extension of mineralogical investigations and of increased costs of materials, supplies and printing.

My understanding of it is that in those items which the hon. member has indicated, other than item 201 which is for $1,340,000, there is nothing included in them for aerial mapping but there is included in them something for air services. That would be the transportation of men and materials into and out of the fields where they go. But the amount of money spent on aerial mapping is, as I indicated, $1,340,000. It is divided between private companies and the R.C.A.F., so that there is not a duplication in those items in the charge for aerial mapping. They are all correlated because the ground on which the geological parties are working either has had aerial photography or will have it. It is the compilation of the information which is brought in by those geo-

logical, topographical, hydrographic or any other parties that are in the field, along with the mapping, that gives the basis to the department to make the maps during the winter months. Really that is what a great deal of this information is collected for.

Mr. Smith (Calgary West): They also, of course, have air assistance in connection with their field parties?

Mr. McCann: Yes.

Mr. Smith (Calgary West): In many places I have no doubt that air transport takes them in and brings them out again.

Mr. McCann: Yes.

Mr. Smith (Calgary West): Will the minister tell me about this geographical names business, and then I will have nothing further to ask. You will find that in item 191. I hope the minister will not mind my grouping these.

Mr. McCann: Not at all.

Mr. Smith (Calgary West): I think they are full brothers.

Mr. McCann: There was a time when I knew as little about it myself. On item 191—

The Deputy Chairman: Order. I am quite willing to go along with the minister, but for the purpose of order, and so that all hon. members may know exactly with what item we are dealing, I think we should proceed item by item.

Mr. Smith (Calgary West): You are quite right, Mr. Chairman. I was trying to cut a corner.

The Deputy Chairman: We are now on item 188.

Mr. McCann: May I answer the hon. member for Calgary West? This is taken from the annual report of the Department of Mines and Resources. As to the Canadian board on geographical names, order in council P.C. 3397 of August 3, 1948, changed the name of the geographic board of Canada to the Canadian board on geographical names, and brought up to date the authority, the functions and membership of the board. The names for 88 maps and 49 hydrographic charts were adopted and many new names and changes were considered. A revision of the board's regulations, principles, nomenclature and bylaws was published and considerable work was done in preparing a forthcoming gazetteer of Canada series. Then it goes on to give the names of the different people on the board, and their function is to select proper names for rivers, mountains and these geographical places that have to be named, to see that appropriate names are given and that there is no duplication in them.

Mr. Smith (Calgary West): What does it cost?

Mr. McCann: The board works without salary.

Mr. Browne (St. John's West): I should like to ask the minister when the report for the fiscal year ended March 31, 1950, will be published. It seems to me that when the reports appear—and this applies to all departments—they are so ancient that they are not read so much as they otherwise would be. Is it not possible to have the report of the geological survey published sooner? Evidently the 1950 report will not be published until 1951 or 1952.

Mr. McCann: The report for the work that is done this year will be compiled in the next winter months and published six months after that.

Mr. Browne (St. John's West): We have not received the report of last year's work yet.

Mr. McCann: That will be in shortly.

Mr. Browne (St. John's West): When do you expect to have it published? I refer to the report of last summer's field work.

Mr. McCann: According to the statutes, it will be reported at the next session of parliament within ten, fifteen or thirty days after the session opens, for the fiscal year preceding.

Mr. Black (Cumberland): I notice that the expenditures contemplated by this item go far afield, over water, over ice and over Baffin island. I think we should know what have been the results of the explorations of Baffin island.

Mr. McCann: During the summer of 1950, the Arctic Institute of North America will sponsor an expedition to Baffin island in order to study the glaciology, geology, and biology.

The former department of mines and resources was approached by Mr. P. D. Baird, director of the Montreal office of the institute, who requested participation by the department in the expedition to the extent of supplying a geologist and one assistant, and a contribution of $3,000 towards its financing. Inasmuch as the geological survey of Canada is much interested in studying Baffin island, which is part of the Pre-Cambrian shield, Mr. Baird has been advised that a geologist and

one assistant will be provided, and that parliament will be requested to approve of a grant of $3,000 to help meet the expenses of the expedition.

Item agreed to.

198. Geographical branch, $160,000.

Mr. Gibson: This being the department of technical surveys, I wonder whether the minister has considered the possibility of making a factual survey of the proposed routes of the various pipe lines which are supposed to go from Alberta to the Pacific coast. It would be very valuable. Instead of our taking secondhand information from the various private companies as to whether one route or another route is feasible, and whether one would cost $20 million more than another, it would be very valuable to the board of transport commissioners or to the cabinet when it comes time for them to make a decision in this matter of the exportation of fluid and electricity to have the minister's department provide them with firsthand information. Does the minister not think it would be valuable, and has he considered making a survey of that kind?

Mr. McCann: Mr. Chairman, that is a suggestion which could be considered at least; but I might say to the hon. gentleman that the matter of pipe lines comes under the Department of Transport.

Mr. Green: The Department of Trade and Commerce.

Mr. McCann: The Department of Trade and Commerce; if we were requested by that department to make a survey and we could get the money somewhere with which to do it we would be prepared to do it.

Mr. Gibson: I am sure we would vote the money for it if the department were asked to do it.

Item agreed to.

195. Legal surveys, including grant of $350 to assist in printing the publication of the Canadian Institute of Surveying, $572,167.

Mr. Black (Cumberland): This is an item which raises the curiosity of a good many. I suppose legal surveys are surveys of the legal profession. This is quite a large sum. I do not know how far it would go if some of the firms of lawyers that this government employed are on the payroll. It is an interesting title to give an appropriation under the minister.

Mr. McCann: "Legal" as it is used here has nothing to do with the legal profession. The purpose of this vote is to maintain the legal surveys division which undertakes all legal surveys of crown lands in the Yukon and Northwest Territories, of national parks, ordnance lands, and Indian reserves, and legal surveys required by the departments of the dominion government; the preparation of electoral district maps; the plotting, preparing and maintenance of aeronautical charts of all kinds for civil and military purposes; the preparation of air flight manuals; the maintenance of a central distributing agency for charts, maps, plans and technical publications, and the maintenance of the central office for indexing, filing and recording survey returns and plans and supplying information from them.

This is a very important function. During the summer months we will have a great number of field parties out that will be doing this work. We will have certain parties on the Yukon-British Columbia boundary; one on the Alberta-British Columbia boundary; another on the Alberta-Northwest Territories boundary; Alberta survey of the western boundary of Wood Buffalo park, Indian survey in Alberta; surveys will be carried out in Assiniboine, Nut Lake and Meadow Lake at the request of the Indian affairs branch. There will be surveys in Manitoba, in Ontario, and in every province of the country. A press release was given out a few weeks ago with reference to some of these survey parties and the number of parties that will be engaged in this particular work is twenty-five. It is not entirely a spending department. There was a small revenue amounting to $44,183 in the past year.

Item agreed to.

713. Gratuity to Mrs. Michael Feniak, widow of the late Dr. Feniak, a former employee of the geological survey of Canada, who lost his life while on duty in the Northwest Territories, $2,000.

Mr. Knowles: Is this gratuity covered by item 713 the only payment that will be made to this widow? I am not complaining about the payment. It seems to me that unless there is some other provision, the amount should be larger.

Mr. McCann: This has to do with the gratuity which is paid to the widow of Dr. Feniak, who was an employee on the geological survey of Canada. He lost his life while on duty in the Northwest Territories.

Under the workmen's compensation ordinance, Yukon Territory, Mrs. Feniak received a lump sum payment of $5,000 for herself and $1,500 for her two children, a total of $6,500. Had her claim been administered by the Ontario workmen's compensation board she would have been provided with a pension of

$50 per month until death or remarriage plus $10 per month for each of her two children until they reach the age of sixteen years. It is obvious that the Ontario pension offers greater security over the years and takes into account the age of the children. The income from her present lump sum benefit will be most inadequate for herself and the two children in the years directly ahead. Mrs. Feniak is but thirty years of age.

Mrs. Feniak's case was brought to the attention of the Northwest Territories council with a view to having the compensation paid to her supplemented by ordinance or otherwise. The council were in favour of assisting her in this way and sought the opinion of the deputy minister of justice as to whether they had the authority to do so. However, the deputy minister of justice gave an opinion that they did not have this authority.

Since Dr. Feniak's widow and children are to suffer financially, because of the geographical location of his work at the time of death, this department considers that a gratuity of $2,000 would be of some assistance to Mrs. Feniak in bringing up her two small children.

That is why this is sought as a vote from parliament.

Mr. Knowles: May I ask whether this amount will put Mrs. Feniak in the same position she would have been in had her husband lost his life in Ontario?

Mr. McCann: No, it will not.

Mr. Knowles: It seems to me if there is an argument for making this payment, as I believe there is, the department should have gone all the way at least to equalize the position she would have been in had her husband died while in Ontario.

Item agreed to.

714. To authorize and provide for a compassionate payment, by way of reimbursement to the province of Manitoba, of the department's share of the costs in connection with an accident to Angus Thomas, employed by the Ontario-Manitoba boundary commission, who was severely burned while engaged in survey work in northern Manitoba, $7,000.

Mr. Knowles: Perhaps the minister would make an explanation of this item as well. Again my interest is in seeing that this Mr. Thomas, who was severely burned, gets a fair—

Mr. McCann: An explanation of this is, to authorize and provide for a compassionate payment, by way of reimbursement to the province of Manitoba, of the department's share of the cost in connection with an accident to Angus Thomas, employed by the Ontario-Manitoba boundary commission, who was severely burned while engaged in survey work in northern Manitoba.

Angus Thomas, an Indian dog driver employed by the Ontario-Manitoba boundary commission, was severely burned in a tent fire on January 25, 1948, while engaged in survey work in northern Manitoba. His injuries have rendered him totally disabled. The commission filed a claim on his behalf with the workmen's compensation board of Manitoba. This claim was accepted and it was necessary for some time to pass before the full extent of the medical and pension costs could be determined.

The Ontario-Manitoba boundary commission is financed jointly by the federal, Ontario and Manitoba governments, each government being responsible for one-third of the cost. Because they are closer to the work being done, the department of mines and natural resources of the Manitoba government handles the accounts for the commission. Commission expenditures are made through the open ledger account of the Manitoba government who in turn are reimbursed by the other governments.

During the winter of 1950 this department was informed by the workmen's compensation board of Manitoba of the cost incident to the accident sustained by Thomas, as well as an estimate of the future cost. Payments made by the workmen's compensation board of Manitoba up to January 21, 1950, amount to $1,470.82 plus medical expenses, making a total of $4,520.70.

In addition the board have on hand an outstanding air transportation account of Central Northern Airways Limited in the amount of $172.20. I could give considerable detail, but perhaps it would be sufficient to say that the gist of the whole matter is that the sum of $7,000 comprises $6,836.85 for the reimbursement of the province of Manitoba in connection with Thomas' medical costs to date and his compensation pension to date and in future, and the remainder is to provide for the possible medical and transportation expenses which may be incurred during the year 1950-51.

Mr. Knowles: In other words this is money that will be paid to Manitoba by way of reimbursement. We cannot tell from this information what Mr. Thomas' position is as a result of whatever has been done?

Mr. McCann: We have taken the figures of the workmen's compensation board in Manitoba, as to what their projected cost is.

Mr. Black (Cumberland): Would the minister make a statement as to the headway made in connection with the examination and

development of bituminous sands. There has been a great miscarriage of appropriations in this matter up until recently.

Mr. McCann: During my years in parliament going back for the past fifteen years the development of Abasand oils has been a live issue. Money was appropriated for it; but during the last two or three years, since the enormous development of the Alberta oil fields, not so much attention has been paid to the Abasand development.

The department has taken an interest since early in this century in investigating the occurrence and possible utilization of these sands as a source of petroleum products. A scarcity of petroleum during world war II stimulated investigation of these deposits and of the recovery of bitumen.

In 1942 drilling was undertaken to discover, if possible, a uniformly rich deposit of the sands which could support a large oil industry. By 1947 a four and a half square mile area had been located containing an estimated 900 million barrels of bitumen.

In 1943 the government, in an effort to solve other problems confronting the utilization of bituminous sands, undertook to finance the improvement of the plant of Abasand Oils Limited. Some results were obtained but the separation plant was destroyed by fire on June 16, 1945.

Because of the change in the war picture by that time, the federal government decided not to continue with the project, and an agreement was entered into between the federal government and Abasand Oils, conveying to the latter all rights and equipment, on consideration of which the company undertook to pay the government the sum of $2,063,289.11, part of it to be reimbursed from the sale of movables; another part from the proceeds of rentals on buildings and machinery; the major portion, amounting to $1,913,427.08, to be reimbursable at the rate of 5 cents per barrel of bitumen produced or contained in materials sold, if and when the company would enter into production.

The indebtedness of the company to the federal government now stands at $1,802,107.39.

The department's view is that the production of petroleum products from the bituminous sands would be uneconomic in competition with Alberta crudes at their present prices.

The mines branch have developed on a pilot plant scale a cold water method for the separation of bitumen from the bituminous sands.

Item agreed to.

[Mr. Black (Cumberland).]

DEPARTMENT OF FISHERIES

111. Departmental administration, $418,340.

Mr. Applewhaite: Mr. Chairman, there is a matter connected with the Department of Fisheries which I believe I might well discuss under this item. I feel sure however that the people in my section of the Pacific coast, irrespective of their political persuasions, would never forgive me if I were to undertake to speak on this subject without first expressing their appreciation to the department and its minister.

I would not like to say that they have no complaints and no requests for betterment. No one in this parliament knows better than the Minister of Fisheries that in any business once anyone reaches a stage of complete satisfaction and complacency, once he stops trying to improve and to get ahead, just at that time he begins to slip back. So I shall warn the minister that we will never stop asking for more, and expecting to get it.

I wish to tell him however that that part of the fishing industry for which I am speaking, along the northern Pacific coast of British Columbia, is appreciative indeed of the work being done in their interests and for their good by the Department of Fisheries. They place the credit for that largely where it rightfully belongs, namely with the Minister of Fisheries.

The subject I wish to discuss this evening is that of the halibut season on the Pacific coast. Perhaps I shall suggest certain changes in the powers and set-up of the international fisheries commission. May I make it clear however that I am not attacking the members of that commission. On the contrary I am convinced that they are doing as good a job as is possible under present conditions, and that they are not only keen but also enthusiastic in their work, which is being done most conscientiously and efficiently.

They are restricted by a convention and a statute. I wish to discuss the convention and the statute. The views I am about to discuss this evening are those I obtained before this session opened from an open mass meeting of the fishermen in my area held under the auspices of the deep-sea fishermen's union, with the approval of the halibut vessel owners association, and from conversations with several sound and experienced halibut fishermen.

The statements of fact I am going to make were acquired in that way. I believe they are correct. If not the minister will correct me. If I make any misstatement of fact it will be through error and not by intent. The administration of the Pacific coast halibut fisheries, so far as the closed season is concerned, comes under a convention between

the United States and Canada signed on June 29, 1937, and confirmed by chapter 36 of the statutes of that year. That convention gives to the international fisheries commission the power to make certain recommendations. I wish to emphasize the fact that they have power to recommend, not to order. The commission does not make final orders, and it does no enforcing. The operative words there are these:

> The international fisheries commission . . . subject to the approval of the President of the United States of America and of the Governor General of Canada—

Then it goes on to set out the powers to divide the waters into fishing areas, to limit the catch, to set a closed season, to fix the size and character of the appliances, and so forth. I wish to emphasize the words, "subject to the approval of the President of the United States of America and of the Governor General of Canada" which surely prove that when the orders are finally issued they are government orders. That point is made clear in the statute itself. I quote section 9, subsection 1, which reads:

> The governor in council may make orders and regulations to give effect to any permission, limitation, regulation, prohibition, or other action of the international fisheries commission, pursuant to the provisions of the convention.

I wish to establish, first, that the powers of the commission are to make recommendations, and, second, that the orders as finally issued are orders of the respective governments. The next point I want to make is that the powers of the commission are based upon principles of conservation only. The commission is set up in the interests of the conservation of the north Pacific halibut fishery. The commission is not set up to regulate the industry. Under the terms of reference they cannot be influenced in their judgment by matters of business practice. As I say, they are restricted to the title of the treaty, which is, "for the preservation of the halibut fishery of the northern Pacific ocean and Bering sea". Such recommendations as they see fit to make can be made only in that connection.

But the government and we in this parliament are interested, not only in conservation but in the efficient conduct of the industry. We are interested further in the working conditions of the men engaged in the industry. I can hardly say their comfort and convenience, because those words are a little soft when applied to an industry of that sort, but efficiency and satisfaction in their work are matters that can be considered in connection with any industry, including the fishing industry.

As I say, my second point is that the commission is confined in its recommendations to those concerning conservation, but the government of the country can take into consideration matters having to do with the most efficient conduct of the north Pacific halibut fishery.

What the halibut fishermen want is a split season, or two seasons. The present halibut season is too short. I think it is necessary that one should explain how it comes about that there is a restricted halibut season and how such season is based on principles of conservation. The commission has power to investigate and to recommend what quantity of fish it is safe from a conservation point of view to take from any given area.

Let us say that they take a given area and say that 10 million pounds of halibut can safely be taken from that area. When those 10 million pounds are taken the season comes to an end. The claim of the halibut fishermen is that the present season is too short for efficient operation. It is possible that there are other views; it is possible that other branches of the fishing industry on the Pacific coast may not be in favour of changing the present short halibut season. I have no idea what the views of the large companies are, but I suspect that the salmon fishermen like the present short halibut season very much because it enables them to fish for halibut for a few weeks and then go into their own line of salmon fishing.

The halibut fisherman, with the type of craft he uses, cannot go into salmon fishing, and from his view a certain proportion of those engaged in salmon fishing chisel into his industry. I admit that there may be different views on this matter but I suggest to the government and the minister that the views of the producers of halibut should receive first consideration. It is their industry that is primarily involved, and their views should receive paramount consideration. In justification of my statement that the season is too short, may I point out that in area No. 2 in 1931 the halibut season was 245 days. It has steadily shrunk until in 1949 it was 34 days, and this year it was 31 days. In area No. 3 the season was 245 days in 1931, and in 1949 it had shrunk to 73 days.

Thirty-one or 34 days is a pretty short period in which to earn the most of your year's income. I do not think that is an unfair statement to make. The halibut fishermen are so equipped that they cannot fish for any other type of fish. If a ship has a slight mechanical break-down and loses a trip, or even three or four days, that constitutes a substantial part of its annual earning capacity. Halibut vessels cost a lot of

money, and they can be paid for only by earnings. Thirty-one or 34 days is a short time in which to earn an amortized share of the cost of a halibut vessel.

Recently there has been an unfortunate slump in dogfish livers, which used to be a first-class sideline. That alternative to which the halibut men could turn is being restricted also. I may be wrong in my next statement, but it occurs to me that this progressive curtailing of the season may result eventually in forcing up the price to a point where it will be beyond the reach of the average consumer.

I said that there might be opposing views to my other suggestions, but I do not think there are any opposing views to my next suggestion, which is based on conservation. The halibut season for this year opened on May 1 and closed on June 1. There are halibut on the banks in July. It is the opinion of the fishermen on the coast that those halibut which are on the banks in July were not there in May and will not be there next May, and so are not being fished at all. In other words there is a run of fish not being considered, which does not come into the picture when the quotas are being fixed. In that connection I want to read the binding words dealing with the season, as they appear in the treaty. It is within the power of the commission to—

(c) prohibit departure of vessels from any port or place, or from any receiving vessel or station, to any area for halibut fishing, after any date when in the judgment of the international fisheries commission the vessels which have departed for that area prior to that date or which are known to be fishing in that area shall suffice to catch the limit which shall have been set for that area. . . .

So if a limit of ten million pounds is set for an area and that limit is caught every year by the first week in June, those July fish are not caught at all. I understand that scientific opinion is gradually coming to be the same as that of the fishermen themselves, that these July or later runs are not being fished. In that connection I note with pleasure further down the page that item No. 118 is being increased by $15,000. I presume the United States government will have to match that, since the expenses of this commission are borne fifty-fifty. May I express the hope that the $30,000 so made available, or some portion of it, will be used, as I have reason to believe it will, in proving or disproving our theory that those July and later halibut are never fished. If that theory can be proved correct, there are two to four million pounds or more of halibut available to be caught every year which at present are not being touched, which presumably die a natural death and represent a total waste. Therefore I claim, and with reason, that if our arguments are correct the opening of a later season can have no possible adverse effects from the conservation angle.

To get at those July or later fish would involve a split season. The fishermen on the coast are of the opinion that the Canadian and United States governments do not interpret the present treaty in the same way. I have no personal knowledge of the interpretation either government places upon the law, but I must read this section once more in order to explain to the committee the problem with which the fishermen are faced. The powers of the commission in connection with fixing the season, skipping some words, are:

—to prohibit departure of vessels from any port or place . . . after any date when in the judgment of the international fisheries commission the vessels which have departed . . . shall suffice to catch the limit . . . set for that area.

Under a very strict interpretation of those words there might be power to prohibit vessels sailing into a ten million pound area after eight million pounds had been accounted for in order to permit them to return later in the year and pick up the other two million pounds. A very close reading of the provision, however, might lead one to the opinion that the fishermen may only continue fishing until the limit has been caught, and then they must stop for that year. The fishermen on the Pacific coast are of the opinion that this is not the interpretation placed upon the treaty by the Canadian government, that the Canadian government believe that under the present treaty there may be power to order a split season. They also believe that the United States government holds a different view. Rightly or wrongly my fishermen are firm in their belief that the view of the United States government is that under the present treaty there shall be one season only. I do not know what the interpretation is; but if we are right in believing that the Canadian government thinks the power is there now, then we respectfully suggest that the government could not have much objection to entering into a new treaty which would state in so many words that the right is there, putting the matter beyond all possible question.

So our request is that this government, at the earliest possible moment, enter into negotiations with the United States with a view to drafting a new treaty to cover this point. A draft has been drawn already, of which I have a copy. I understand the author is Dr. Chapman, special assistant to the under secretary of state of the United States. At any rate I know Dr. Chapman read and

explained this treaty at public hearings for fishermen on the Pacific coast. On the point I have been discussing the new treaty would read as follows:

—the international fisheries commission, with the approval of the president of the United States of America and of the governor general of Canada, may, after investigation has shown such action to be necessary, in respect of the nationals, inhabitants and fishing vessels and boats of the United States of America and of Canada, and in respect of halibut or sablefish or both, as the case may be:

(a) divide the convention waters into areas;

(b) establish one or more open or closed seasons, annually, as to each area.

We have been given to understand in some quarters that objection has been raised to extending these powers, to giving the international fisheries commission too much power. I repeat that under this draft, as under the existing treaty, the powers of the international fisheries commission in reference to enforcing their regulations are entirely subject in Canada to the governor general in council and in the United States to the similar organization under the president. Incidentally this draft treaty also makes another change; it increases the number of members of the international fisheries commission from four to six. This would enable one of the United States members to be a representative of Alaska; and I should mention that under my hand I have a copy of a resolution from the associated boards of trade of central British Columbia, passed last year, endorsing that principle.

I am not wedded to the terms of this draft treaty, but I am wedded to its objectives. I do not plead for the government to sponsor this particular draft, but I do plead with them to investigate the possibility of negotiating some document which will incorporate the main provisions of this draft. The draft to which I refer has been adopted by the united fishermen and allied workers union in a statement I have under my hand. It has been approved by the united fishermen's co-operative association, which approval I also have.

What about the industry as a whole; what is their view? A poll has been taken up and down the Pacific coast among both boat owners and fishermen. It is not unanimous, which proves that it is genuine. I should like to give the committee the result of that poll. In Juneau, Alaska, both boat owners and fishermen were against adopting the split season. In Petersburg, Alaska, the boat owners were against adopting the split season and the fishermen expressed no opinion. In Ketchikan, Alaska, owners and fishermen were both in favour of a split season. In Prince Rupert, British Columbia, owners and fishermen were both in favour of a split season. In Vancouver owners and fishermen were both in favour of a split season. In Seattle, Washington, owners and fishermen both favoured a split season. I do not think there can be much doubt, therefore, as to how the industry feels on this question.

In conclusion, therefore, I should like to urge this government to give prompt and favourable consideration to these proposals which have the overwhelming support of the people who are concerned, the halibut fishermen on the Pacific coast. I would ask them to bear in mind, if it is true that they feel the power is there and so a change is not necessary, that it cannot do any harm to make the power even more obvious. I should like to ask the government to bear in mind what we realize, that the whole treaty system is set up on a basis of conservation. My fishermen want a split season, but they do not want to affect in any way the excellent conservation work that is being done. On the contrary they feel the adoption of their proposals would assist in conserving the stocks which at the present time are being fished, and at the same time make available a stock that has never been fished.

I would ask the government to consider that it is the long line fisherman himself who wants it. It is for him I am speaking in making this proposal. I would ask the government to consider, although it has nothing to do with conservation, the benefits that would be derived by enabling men engaged in the halibut fishing industry to know that if they come into port on Saturday and stay over until Monday they have not lost one-tenth of the year. That may sound exaggerated to some members, but it is equivalent to a little over a month of our time. I have seen a ship held up for thirty-six hours and thus miss a trip, and that represented about one-sixth of her earning capacity for the year. The only other objection that I think might be raised at this time is that the argument that the July run is not being fished may not be sound. It may be that those July fish on the banks were the same ones that were not caught in May. Well, Mr. Chairman, I would suggest that if that is true the commission will not recommend a split season. It would not hurt anyone, since international negotiations take a long time, to make the necessary treaty provisions so that, if the scientists and conservationists believe it is justified, we will be ready for the next season. Then we shall not have the men who are trying to make a living starting their year's work on the first

of May, finishing it on the first of June, and wondering how they are going to get by the rest of the time.

Mr. Green: Mr. Chairman, I had intended to say a few words about this subject when vote No. 118, to provide for the Canadian share of expenses of the international fisheries commission, was under consideration. Now that the subject has been raised by the member for Skeena, and dealt with by him so thoroughly, I would merely like to add that I have had similar representations from the fishermen and the vessel owners' association as well as the co-operative in Vancouver. A large number of halibut fishing boats go from Vancouver, and the opinions of the fishermen there as expressed to me, are along the same lines as the views given tonight by the member for Skeena.

They suggest too that the position now is that halibut can only be caught for one month, and that as a result most of the halibut being sold throughout the year is in the frozen form rather than as fresh fish. The fishermen believe that is another bad feature. I do not believe the member for Skeena dealt with that aspect of the matter.

Apparently the United States government is prepared to negotiate a new treaty, and the delay seems to be on the part of the Canadian government. That is what I have been told. It may not be correct, but the understanding of the men who interviewed me was that the Canadian government had been delaying action. They felt that government policy should now be directed towards the negotiation of a treaty with the United States which will bring about the results requested by the member for Skeena. When the minister replies, I hope he will be able to give us some assurance that the government realizes the importance of this problem and is prepared to take action.

Mr. Stuart (Charlotte): Mr. Chairman, I just want to speak briefly about a problem that is confronting the fishermen on the Atlantic coast. This problem is connected with the sardine industry. The fishermen on the east coast today are facing a season that is not so bright, owing to the fact that the prices paid for raw materials by the Maine canners have been cut in two since the first day of June. The demand for sardines is very limited. Other branches of the fishing industry on the east coast are faced with the same problem. At the present time, one of our very important industries in the Quoddy area is the pollock fishery. These fishermen are in a position to make very large catches of fish, but the price has dropped from ten to twelve cents each during the past few weeks.

In my opinion the most serious problem is presented by the sardine industry. At the present time the cost of maintaining and operating sardine weirs is at the highest peak in the history of this country. Fishermen who had a few thousand dollars this spring decided, owing to the fact that during the past eight or nine months the catch of sardines had been limited, and it was assumed the market was clear, to take their savings to buy the materials to go back into the business this year. Up until the first of June the catch had been very small. Then sardines struck in large quantities in Maine and Charlotte county and also in Saint John county. The fishermen were able to shut off thousands of hogsheads of sardines in coves. In a very short time it was found that there was no market, and the price dropped from $20 a hogshead to $10 in a few days. Along the main coast, where there were thousands of hogsheads shut off the fishermen held them until the situation was hopeless, then lifted the twine and let them swim away. Today the demand is limited and the price is 50 per cent lower than it was one month ago.

Listening to the debates in this House of Commons, I often wonder just what would happen if the price of wheat dropped 50 per cent or the price of beef suddenly dropped 50 per cent, or any other of the primary products. We would see the members from all the agricultural districts in Canada telling their story in the House of Commons. This problem is one which seems to have created very little interest, and very little worry except to the people who are directly affected. I do hope that conditions may improve, but I can assure you that at the present time the outlook is gloomy.

One week ago tonight I attended a meeting in my home town. It was an international gathering and there were 50 or 60 representatives from the state of Maine. A large proportion of that number were engaged in the sardine canning industry. Mr. Pike, who is president of the Maine sardine canners association, spoke at that meeting and gave us a clear picture of the situation in which the fishermen and canners find themselves today. Markets are extremely dull. They were hesitant as to buying sardines at the price they had been paying for two or three years, holding off when it looked as if the price of canned sardines would drop. For that reason about 50 per cent of the canneries in the state of Maine are operating. The other 50 per cent have their doors still closed and it is doubtful as to when they will start again.

During the war a ceiling price was put on sardines. The fishermen were given to

understand that after the war every effort would be made to maintain a fair price in order to make up for some of the loss they sustained during the war when they might have taken, on many occasions, double what they were getting. But it has not worked out just that way, and they find themselves in the same position they have found themselves in after every war. The market is limited; the price has been cut in two; and the outlook is none too good. I hope that the Canadian canneries will continue to pay $15 per hogshead as they are at the present time. They are taking perhaps 50 per cent of the sardines that are being caught. In Saint John county and in Charlotte county there are hundreds of hogsheads for which markets cannot be found.

I intend to speak only briefly because I realize that we are trying to get through. But before taking my seat I want to compliment the Minister of Fisheries and the officials of his department for the concerted effort they have made during the past few years to create a more friendly feeling and greater evidence of co-operation between the fisheries department and those engaged in the fishing industry. It is quite noticeable where I live that every effort has been made by the fisheries department to create this friendly feeling; and I know that between the industry and the department there is better co-operation today than there has been at any previous time.

I believe that if those engaged in the fishing industry and also those in the canning industry can be educated to provide a better article, it will do the industry a great deal of good. In the past our weakness to a great extent has been that we were not providing as good an article as we could provide. I believe that the Department of Fisheries, through their efforts, and with the knowledge they have, can be of great assistance to the industry. I want to say that the assistance they are giving and the evidence of co-operation between the department and the industry are greatly appreciated. If it continues, I believe that we may look forward to something better in the fishing industry in the future.

Mr. Higgins: I wish to join with the hon. member for Skeena on the other side of this great country and on the other side of this chamber in extending to the minister, as I have before, and all those associated with him, our thanks for his work and for the statement of the work that he is doing. I expect he is going to hear continually from this side of the chamber requests such as he heard from the district represented by the hon. member for Skeena.

As hon. members of the committee are aware, I have been asking questions on various occasions about this matter of the fisheries, particularly as it pertains to Newfoundland. I do that not for the sake of talking but because I realize, as do hon. members and as does the minister, how vital this industry is to Newfoundland itself. When I talk of the fishery, I refer particularly—and I intend to do so tonight—to the salt codfish industry. In order that hon. members may be able to evaluate the position in the proper perspective I should like to say that the total production of all the provinces engaged in the salt codfishing industry is scarcely 40 per cent of the average normal Newfoundland production. The hon. member for Charlotte will probably know that as well. Moreover, the markets to which salt codfish is sold by the other provinces are all on this side of the Atlantic. Because of the size of the catch of the other provinces and its relation to the total industry of each of the mainland provinces the salt fish trade is of comparatively little importance to these provinces.

The question of marketing of any surplus occasions little worry and the only problem really is the sale of the current year's catch. The problem in the newest province is quite different indeed, because almost half the catch each year must be sold in European markets. If prices are low or if there is difficulty in making sale, the effect on the economy of the province might well be ruinous. It must be remembered that salt fish supports practically half the total economy of the province of Newfoundland. Up to the present time there is no alternative means of providing earning power and I suggest that it is much better to produce salt fish, even though government assistance may be required, than to stop fishing. Hon members will appreciate the fact that of the population of some 325,000 people in Newfoundland, some 30,000 are engaged in the fishing industry, scattered over the province in some 1,300 fishing communities. It will therefore be realized what an important factor the salt codfish industry is to the province.

I have read the statement of the minister today, and frankly I must confess to him that although I thank him for it, I do not feel entirely satisfied with it. I realize fully, of course, the position the department was up against. But in so far as I am concerned, whilst the statement is appreciated it does not go far enough and it does not answer the worries that the people engaged in the fisheries in the province of Newfoundland wish answered. Actually all that has happened is this. The government is to buy at two-thirds of the 1948 price the amount of fish in the hands of the fishermen. As the

minister stated, that amount is comparatively small. The minister may feel like telling the amount but I am not going to press him to do so. Neither am I going to ask him what amount of fish is still in the hands of merchants and exporters in Newfoundland. I do not think that amount of fish should be disclosed. It may interfere with future marketing, and I certainly have no intention of putting that question to him.

With all due respect to the fisheries prices support board and their recommendation, I suggest that their recommendation is not a sound one. As the minister well knows, the fishing industry in Newfoundland is carried on under a system that is unique, having regard to the rest of the dominion. It is largely a credit business. Fishermen do not go fishing until they have been given supplies by the merchants in the various settlements before the fishing begins. As I am quite certain the hon. member for Grand Falls-White Bay will agree, having surplus fish in the hands of merchants, particularly where the capital of the merchants is not great, is going to preclude the giving of supplies to fishermen. With all due respect to the advice the minister has received, I feel it is not quite the answer to the problem. I feel that there is a real emergency in the province at the present time, and I feel that there should be given a definite undertaking to buy at least the amount of fish that was left over, that could not be sold and that will not be sold in the ordinary manner and through the ordinary channels at the end of the year. If that is not given then I fear very much for the supplying that is going to take place this year. I realize of course that they are going to fish because Newfoundland people are usually independent, but if the needed money is not in the merchant's hands to grant supplies then I do not know how it is expected that the ordinary fisherman is going to be able to go fishing. I say that with all due respect to the particular committee that made the recommendations to the minister.

I have eight particular things that I want to discuss with the minister. The second one is the question I put to him this morning, namely, arranging the convertibility of sterling for the sale of salt codfish up to 400,000 quintals. To bear out what I said this morning I want to read two or three excerpts from newspaper accounts at the time the explanation was made. The first one is dated April 24, and is from the Halifax *Chronicle-Herald*. It reads:

> The government of Canada will aid Newfoundland in selling her salt codfish to Europe over the sterling-dollar exchange barriers during 1950, fisheries minister R. W. Mayhew announced here today through Newfoundland fisheries board chairman Raymond Gushue.
>
> It is understood that the federal government will provide the necessary exchange to enable Newfoundland to sell 400,000 quintals of codfish to Italy, Spain and Portugal.

On the same day, April 24, in the *Evening Telegram* of Newfoundland in big black headlines we find the following:

> Federal government will help Newfoundland sell salt cod to Europe
>
> The government of Canada will aid Newfoundland in selling her codfish to Europe over the sterling-dollar exchange barriers during 1950, fisheries minister R. W. Mayhew announced here Sunday through Newfoundland fisheries board chairman Raymond Gushue.

The report is practically the same as that which appeared in the Halifax *Chronicle-Herald*. The statement is made in the issue of the *Evening Telegram* of April 26, and again on May 2 in an editorial in the *Daily News* of St. John's, beginning:

> That Ottawa's undertaking to facilitate the marketing of 400,000 quintals of salt fish in Europe has not been sufficient to facilitate spring supply has been illustrated by the demands of many fishermen for guaranteed minimum prices.

The last one is the particular reference that I made this morning to the announcement by the acting chairman of the Newfoundland salt codfish association, and this is what he said:

> As indicated in the recent statement brought back from Ottawa by Mr. R. Gushue, the federal government is sympathetic and is anxious to help find a solution to the problems, and that statement has been interpreted by Mr. Gushue to mean that the federal government will undertake to provide conversion to dollars for the sale in sterling areas of not over 400,000 quintals of the 1950 production of Newfoundland salt codfish.

Definitely, whatever the minister's views are in the matter now, that was the way the statement was interpreted and I hope that he may be able to clear up whatever confusion there may be in the matter.

The next matter to which I wish to refer is the question of trawlers. The minister has already made a statement on that matter. He has sent his largest boat, the *Cygnus*, to the banks. I do not know whether the minister is fully aware of the situation, and I am certainly not going to read all the newspaper clippings that I have because they are too numerous. But we start off with the statement of the *Evening Telegram* of June 12 headed, "Piracy on the Grand Banks". It gives a description of what has happened. Then we have another account describing the number of people that are fishing on the banks and who they are. This is from the *Telegram* of June 10:

> Well, the result of many inquiries made by the *Telegram* during the past couple of days indicates

that close to two hundred, if not actually more, ships from Spain, France and Portugal have been on the banks at one time or another this year.

They range in size from tiny 58-ton Spanish trawlers which fish in pairs to the mammoth 1,000 tonners of which each of the European countries sends out many to the new world waters.

At present there are seventeen ships from Portugal.

There are forty-eight from France and I do not know how many from Spain, but they are quite numerous. There has been some very strong comment over the fact that crews have been losing lines. They have been losing their trawl lines. One fellow reported losing seventy. Another crew reported losing forty, and in one particular item it was reported that there was actually great danger to the fishermen in the dories. I know the minister is very serious about this matter. I hope that because of the provisions of the international northwest Atlantic fisheries convention which has been adopted by this parliament this year the situation will be taken care of in the future. If the minister is going to reply I would like him to tell me what will be done by this fisheries convention and what is proposed by Canada should be done.

Also in connection with these trawlers fishing the banks there comes the very vital matter of the depletion of the resources of the Grand Banks. In that connection I would refer the minister—I am sure he remembers it—to a statement made by him on March 21 on the first day's session of the meeting of the fisheries council of Canada. This is what he said at that time:

Our industry both for itself and for future fishermen must recognize the importance of such conservation work. On the Atlantic the European fishing fleets will by next year be 140 per cent above their pre-war capacity and they will be fishing more intensely the waters around our shores.

Mr. McIlraith: Carried.

Mr. Higgins: I will not be long; you can carry me after that. At page 5 of the annual report of the fisheries research board of Canada for 1949 appears this statement:

Fisheries that are being studied for the purpose of detecting changes in abundance due to overfishing include the cod, haddock and other groundfish off our east coast. Fishermen of many countries including the United States and several European countries (France, Spain, and Portugal), fish the Grand Banks, and waters even nearer our shores. Some believe that overfishing is taking place and that there should be international action for the control of fishing. Canada's stake in these fisheries is so great that we must have reliable information of our own as a basis for action to protect our interests in negotiations looking to the study and control of these fisheries. Such studies have been under way for a number of years but they must be expanded as rapidly as possible. Our responsibility for Newfoundland's fisheries has increased our responsibility in this regard.

I have just a couple more excerpts to conclude this matter of depletion. The *Daily News* of May 26 reads as follows:

Vast as are the fishing resources of the Grand Banks, they are not inexhaustible and it is consequently disturbing to hear of the damage that some trawlers have been doing to the grounds. The owner of a banking vessel has told recently how his schooner had to sail through a large area of water which was covered with young fish that had escaped from trawlers' nets or had been thrown overboard as too small for commercial use. That can hardly be good for the preservation of the banks as a first-class fishing reserve.

From the *Telegram* of March 24 I quote the following:

As soon as the war was over European trawlers began crossing the ocean in hundreds to fish the waters of the Atlantic. At the same time American trawlers moved north as the old Georges bank and other Yankee fishing grounds became depleted. All of them moved in on the fishing grounds which Newfoundland and Canadian fishermen had come to regard as their own.

At the same time these foreign fishermen were not too particular as to how they treated the grounds nor the Canadian fishermen. They'd sweep through nursery grounds, killing all the small fish on them, and they'd sweep straight through the gear of the Canadian fishermen, wrecking it completely.

It is on the subject of conservation that I hope the minister will make some comments because last year at the time of his estimates I believe he said there was no evidence at all to justify any contention that the fishing grounds were being over-fished. I hope he can give some guarantee this year. It would be interesting to hear it.

I should like him also to comment on the question of Labrador fisheries, in so far as Newfoundland is concerned. I believe there has been a suggestion that to continue that fishery would be impractical and uneconomical. There are so many persons in the province engaged in that fishery that unless there is a very clear statement as to why it would be uneconomical I fear it will continue to be prosecuted. I certainly would like to have the minister's views in the matter.

The next matter has already been raised by my colleague. It has to do with unemployment insurance for fishermen. I realize the difficulties there may be in this respect. However the situation which has developed in the new province is commented upon in the *Daily News* of April 18, from the Grand Banks on the south coast. Here is what they say:

It is reported that some of the bank fishermen have decided not to go fishing this year but are seeking other employment in which they can qualify for unemployment insurance. In interviews with some of the men who are going fishing it was learned that bank fishermen feel strongly about not being included in unemployment insurance. They argue that they are the primary producers of codfish and are not included in the insurance scheme, whilst the women and men ashore

who cure and handle the fish in preparing it for market are eligible and have been receiving benefits this past winter.

I would urge the minister to think over the possibility of making fishermen eligible to come under the Unemployment Insurance Act.

The final matter I should like to bring to the minister's attention arises out of the marketing of salt codfish. I do not mean the actual selling of it, but the straight marketing. In a brief presented by the Newfoundland Associated Fish Exporters Limited this selling agency expressed an opinion to the royal commission on transportation, I believe, and a particular reference was made to what was happening in connection with the transportation of fish to market.

I shall not delay too long in drawing to the minister's attention the chief points to which these Newfoundland salt codfish are sent. The first of these groups is (a) by direct vessel to Jamaica, Puerto Rico, Cuba, Dominica, Grenada, St. Lucia, St. Vincent and some three or four more. Then there is group (b), which includes transshipments via Halifax and/or New York.

In connection with group (a) the situation is that these are by locally-owned vessels, and they are required to pay 50 cents per cask over and above the regular freight rate. In class (b) the shippers are obliged to pay a freight rate which is based upon the regular rate from Halifax, plus the cost of movement from ports in Newfoundland to Halifax.

The general plea is that they ask that arrangements should be made whereby Newfoundland salt fish moving to markets under (b) should receive a freight concession on an equal basis to that granted movements of salt fish from points on the mainland to export points.

An additional charge of 50 cents a cask which many shippers are at present obliged to pay for the privilege of having direct vessels load at their port should be, at least in part, absorbed by the Canadian National Railways in accordance with the policy of providing special depressed rates to cover similar situations in other provinces, and because there are no facilities for the movement of fish by rail.

A very serious situation would arise in Newfoundland in the event of the direct vessels at present serving markets under (a) being withdrawn, or the rates increased.

I draw this to the minister's attention, because I believe he should be aware of it. That sums up what I had intended to say. All hon. members appreciate the work of the minister and of his assistants, and their great interest in the fishing industry. I am sure when I bring these points to his attention he will understand that it is only because of the keen interest he has shown in the fisheries.

[Mr. Higgins.]

Mr. Mayhew: Mr. Chairman, I should like to answer some of these questions before they pile up ahead of me. Perhaps I might first reply to the hon. member for Skeena and the hon. member for Vancouver-Quadra. The hon. member for Skeena was right in the premise he took that the halibut commission had the authority only to recommend and not to regulate. We are quite prepared to enter into a treaty, so long as that treaty has in it that provision. But if it means that they want the power to regulate, then we do not think that as a federal government we can agree to it without becoming involved in provincial as well as marine law.

For instance, we would not want anyone to regulate the time our boats would leave or return to port. If the term "regulation" were changed to "recommendation" we might agree to such changes in the treaty as proposed.

One point was made which I think was a mistake. The impression was left that the department was confining the catch of halibut to thirty days. That is not so. We regulate by the amount of fish caught. In area 2 the quota set for this year is 25,500,000 pounds. That amount was caught this year in thirty days. In area 3 the quota is 28,000,000 pounds, and they will catch that amount in about sixty days. I might point out that in 1931 there were 328 vessels on the banks, whereas now there are 744. That is the reason they get this quantity of fish in such a short time. We have no regulation that they must be caught in one month. This is controlled rather by the number of boats on the banks. They catch the quota which has been set by the halibut commission.

We are now investigating whether there should be more fish caught, and whether the banks will allow us to continue to fish at that rate or at a greater rate. If the halibut commission believe that the fish are there, they can make a recommendation to us, and it will no doubt be carried out.

Mr. Green: What about the split season?

Mr. Mayhew: There is no reason why we should say that we would not be prepared to recommend a split season. But what good would it do? You would work for fifteen days and catch your allotment and then lay up your boat for a month or so. You would then go out and fish for another fifteen days and catch another allotment. Unless we are prepared to increase the allotment I do not

see any sense at all in having a split season. The fishermen would not catch any more fish and their boats would be laid up for one or two months. As has been suggested by the hon. member for Skeena and the hon. member for Vancouver-Quadra, investigations should be made and they are being made.

The hon. member for Charlotte referred to a problem in connection with sardines. We will ask the fisheries prices support board to take a look at the situation. But I would remind the hon. member that sardines and herring are unpredictable fish. Some years you are able to catch a lot of them and in other years you get very few. Some seasons the catch is so large that it is almost impossible to take care of it. We have been able to take care of a similar situation on the west coast by the use of reduction plants and possibly the same method could be used in other areas. At any rate we will have the fisheries prices support board look into this situation.

The hon. member for St. John's East referred to the statement I made today and intimated that I had not gone far enough. We followed the recommendations of the prices support board which I think were fair and reasonable. We are taking the fish from the fishermen for more than one reason. The fish were not cured until this spring and we are not sure whether or not they should go on the market. This will give us a chance to find out and to eliminate any that should not go on the market. One of the principles we try to maintain is to see that the quality of our fish is high because that is what the people want. Any fish of inferior quality that get on the market are a detriment to the rest. The amount involved is only 12,000 or 15,000 quintals, but we do not want even that small amount to get mixed up with the good stock now held by the merchants and processors. That stock is disappearing fairly rapidly and I do not think there will be any difficulty in disposing of it.

The hon. member then referred to the alleged statement made by Mr. Gushue. Mr. Gushue was authorized to say that the government of Canada would do everything in its power to see that the exchange difficulties with certain European countries would interfere as little as possible with the disposal of the 1950 catch. Hon. members will appreciate that arrangements of this kind are not solely in the hands of the Canadian government. The matter is under active discussion with the government of the United Kingdom and as soon as a definite announcement can be made the industry in Newfoundland will be informed. The negotiations are going on and for that reason we are not in position to say anything more about them.

Mr. Higgins: I did not mean to say that Mr. Gushue made the statement. It was attributed to him.

Mr. Mayhew: That is what I said. The hon. member referred also to piracy on the Grand Banks. Those waters are international and our own fishermen are down there just the same as the fishermen from Spain, Portugal and seven or eight other countries. We have no jurisdiction over those waters nor has the northwest Atlantic convention. They are concerned only with conservation. The rules of the road will be discussed this fall but that is quite a different matter from conservation.

Labrador fisheries were also mentioned. I may be wrong, but my understanding is that the Labrador fish is not equal in quality to the fish caught off the shores of Newfoundland. It is considered to be a second-grade fish and we feel that as far as possible the fish marketed should be of the highest quality and be caught where they can be caught most cheaply.

The matter of unemployment insurance for fishermen is being considered by the Department of Labour and is something with which we are not concerned. Freight rates are a responsibility of the Department of Transport, but we will see what can be done about them.

Mr. Higgins: I thank the minister for the information he has given. Can he say anything about the depletion of the Grand Banks?

Mr. Mayhew: Our biologists tell us that there is no evidence of depletion on the Grand Banks, and I think that they are right.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris (Grey-Bruce): Tomorrow we shall proceed with fisheries, external affairs, justice, the Prime Minister's office and legislation. I understand that there are some uncompleted items in finance, veterans affairs, post office and health and welfare. We shall take the first three or four in the order mentioned, but the remainder will be taken as occasion permits.

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

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

DEPARTMENT OF THE SECRETARY OF STATE

412. Departmental administration, $173,295.

413. Companies branch, $69,900.

414. Trade marks branch, $124,395.

415. Bureau for translations, $698,100.

416. Canada Temperance Act, $1,500.

Patent and copyright office—

417. Administration division, $47,580.

418. Patent division, $530,180.

419. Copyright and industrial designs division, $16,820.

420 Patent record division, $71,005.

421. Contribution to the international office for the protection of industrial property, international copright union office and union for the protection of literary and artistic works, $4,000.

General—

422. Expenses in connection with the bibliographic centre (National Library), $41,240.

777. Companies branch—further amount required, $3,145.

778. Bureau for translations—further amount required, $34,715.

Patent and copyright office—

779. Patent division—further amount required, $115,950.

780. Contribution to the international office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works—further amount required, $500.

Office of the chief electoral officer—

47. Salaries and expenses of office, $45,515.

Civil service commission—

63. Salaries and contingencies of the commission, including the chairman of the civil service commission and two civil service commissioners at $2,000 each, additional to chapter 53, statutes of 1947, $1,561,250.

Public archives—

281. General administration and technical services, $208,242.

Public printing and stationery—

282. Departmental administration, $60,000.

283. Printing, binding and distributing the annual statutes, $30,000.

284. *Canada Gazette*, $130,000.

285. Plant equipment and replacements, $30,000.

286. Distribution of official documents, $108,730.

287. Printing and binding official publications for sale and distribution to departments and the public, $230,000.

726. Plant equipment and replacements—further amount required, $139,375.

DEPARTMENT OF TRANSPORT

Board of transport commissioners for Canada—

524. Board of transport commissioners for Canada—administration, maintenance and operation, $624,800.

Canadian maritime commission—

525. Administration, $190,170.

526. Mail subsidies and steamship subventions, as detailed in the estimates, $3,317,000.

527. To provide assistance for Canadian flag ocean shipping industry, $3,000,000.

Government-owned enterprises—

Non-active accounts—National harbours board—

557. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1950 on any or all of the following accounts: Reconstruction and capital expenditures—Halifax, $1,655,000; Saint John, $282,000; Quebec, $520,000; Port Colborne, $176,000; Churchill, $321,000; generally unforeseen and miscellaneous, $200,000; total, $3,154,000; less amount to be expended from replacement fund, $130,000, $3,024,000.

Deficits—Transport—

558. Amount required to provide for the payment during the fiscal year 1950-51 to the Canadian National Railway company (hereinafter called the national company) upon applications approved by the Minister of Transport made from time by the national company to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1950, $1,159,000.

559. Amount to provide for the payment from time to time to the Canadian National (West Indies) Steamships, Limited (hereinafter called "The Company") of the amount of the deficit occurring during the year ending December 31, 1950, in the operations of the company and the vessels under the control of the company, as certified by the auditors of the company, and upon application made by the company to the Minister of Finance and approved by the Minister of Transport, not exceeding $720,000.

National harbours board—

560. To provide for payment to the national harbours board of the amount hereinafter set forth, to be applied in payment of the deficit (exclusive of interest on dominion government advances and depreciation on capital structures) arising in the calendar year 1950, in the operation of the Churchill harbour, $203,100.

Loans and investments—National harbours board—

561. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1950 on any or all of the following accounts: reconstruction and capital expenditures—Montreal, $1,718,700; Vancouver, $106,500; total $1,825,200; less amount to be expended from replacement funds, $328,247; total $1,496,953.

A—Department—

Canals service—

786. Canals—construction and improvements—further amount required, $1,783,947.

Marine service—

787. Nautical service administration—further amount required, $275,000.

788. Marine service steamers, including icebreakers—maintenance, operation and repairs—further amount required, $600,000.

789. Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers—further amount required, $351,100.

790. Administration of pilotage, including authority for temporary recoverable advances, and contributions to various pilotage funds to the extent of expenses incurred by the pilots in the operation and maintenance, as required, of necessary pilotage vessels—further amount required, $126,770.

791. To authorize the write-off from active assets to consolidated deficit account of the balances of advances or loans made to the Halifax and Sydney pilotage districts, $8,359.

792. Steamship inspection and the carrying out of the provisions of the conventions for the safety of life at sea and load lines—further amount required, $12,500.

793. To provide for the construction of a general service workboat for use at St. John's, Nfld.—capital, $38,000.

794. To provide towards the construction of a lighthouse supply and buoy vessel for the east coast (estimated cost $1,725,000)—capital, $103,000.

795. To provide towards the construction of a lightship for the port of Saint John, N.B. (estimated cost $732,000)—capital, $126,000.

796. To provide for the construction of a general service workboat to be operated out of Parry Sound, Ont., agency—capital, $12,000.

797. To provide towards the construction of a lighthouse supply and buoy tender vessel for service at Victoria, B.C. (estimated cost $1,100,000)—capital, $100,000.

798. To provide towards the construction of a lighthouse supply and buoy vessel for the west coast (estimated cost $1,034,000)—capital, $367,000.

799. To provide towards the reconditioning and refitting of vessels for Pacific ocean weather station "P" and the expenses of transporting vessels to station operating base—capital, $960,000.

Railway service—

800. To provide towards the construction of an auto-ferry vessel for service between North Sydney, N.S., and Port aux Basques, Nfld.—capital, $300,000.

801. To reimburse the Canadian National Railway Company for expenditures to be incurred for a special railway maintenance work program in the province of Newfoundland, $750,000.

802. Canadian government railways—repairs to Ogden Point piers, Victoria, B.C., $43,000.

General—

803. To provide for the expenses of the royal commission on national transportation—further amount required, $94,545.

Air service—

Civil aviation division—

Airways and airports—

804. Construction and improvements, including radio facilities—capital—further amount required, $1,101,000.

805. Operation and maintenance—civil aviation services—further amount required, $333,683.

806. Contributions, subject to the approval of the governor in council, to assist municipalities to improve existing airports or to provide new airports, the sites of which have been provided by such municipalities—further amount required, $127,000.

807. Contribution to the south Pacific air transport council as Canada's share towards the maintenance and operation of air transport facilities in the south Pacific—further amount required, $112,500.

808. Contribution to the international civil aviation organization as Canada's portion of the financial assistance to the government of Iceland in respect of the provision, operation and maintenance of certain air navigation services—further amount required, $8,000.

Meteorological division—

809. Meteorological services—further amount required, $328,575.

Radio division—

810. Administration of the Radio Act and regulations—further amount required, $50,520.

811. Telegraph and telephone service—construction and improvements—further amount required, $38,650.

B—Canadian maritime commission—

812. Mail subsidies and steamship subventions, as detailed in the estimates—further amount required, $122,000.

Loans and investments—

National harbours board—

819. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1950 on the following account: reconstruction and capital expenditures—Montreal—further amount required, $300,000.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

259. General administration, $1,687,155.

260. Inspection, investigation and audit services, $2,374,122.

261. Ports, outports and preventive stations, including pay for overtime, notwithstanding anything in the Civil Service Act, and buildings and rentals for temporary purposes, $16,624,952.

262. To provide for payment of expenses, law costs, refunds and awards arising out of seizures and charges of contravention of customs or excise laws, $200,000.

718. Ports, outports and preventive stations, including pay for overtime, notwithstanding anything in the Civil Service Act, and buildings and rentals for temporary purposes—further amount required, $255,557.

Taxation division—

263. General administration, $1,778,855.

264. Internal inspection and verification, $1,199,355.

265. District offices, $26,310,140.

Income tax appeal board—

266. Administration expenses, $73,000.

B—Canadian Broadcasting Corporation—International shortwave broadcasting station—

267. Maintenance and operation, $1,598,400.

268. Acquisition and alterations—equipment, land and structures, including supervision, $105,000.

719. To provide for advances to the Canadian Broadcasting Corporation, subject to such terms and conditions as the governor in council may prescribe, for working capital and to partially finance the deficit of the corporation pending determination of the provision to be made for its future financial requirements, $650,000.

International shortwave broadcasting station—

720. Acquisition and alterations: equipment, land and structures, including supervision (revote $638,961)—further amount required, $938,961.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

183. Departmental administration, $321,042.

Mines branch—

184. Mines branch administration, $64,650.

185. Mineral resources investigations, $1,722,053.

186. Explosives Act administration, $71,725.

187. Investigations of radioactive ores, $280,991.

Geological survey of Canada—

188. Geological survey administration and miscellaneous services, $156,300.

189. Geological surveys, including an amount of $2,500 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and a contribution of $3,000 towards the Arctic Institute expedition to Baffin Island, 1950, $1,524,774.

Surveys and mapping branch—

190. Surveys and mapping branch administration, $27,860.

191. Topographical surveys, including expenses of the Canadian board on geographical names, $1,386,410.

192. Canadian hydrographic service, $1,732,243.

193. Geodetic survey of Canada, $662,775.

194. International boundary commission, $59,800.

195. Legal surveys, including grant of $350 to assist in printing the publication of the Canadian Institute of Surveying, $572,167.

196. To provide for the payment of fees of the board of examiners for dominion land surveyors, of the secretary and of the sub-examiners and for travelling expenses, stationery, printing, rent, etc. (the fees of B. W. Waugh, J. E. R. Ross and J. L. Rannie, members of the board, and A. W. W. Cole, secretary, are to be paid out of this sum), $2,100.

197. Map compilation and reproduction, $463,399.

198. Geographical branch, $160,000.

Dominion observatories—

199. Dominion observatory, Ottawa, $401,740.

200. Dominion astrophysical observatory, Victoria, B.C., $65,385.

201. Payments to Royal Canadian Air Force and commercial companies for air photography, and to defray the expenses of the interdepartmental committee on air surveys, $1,340,000.

Mines branch—

707. Mineral resources investigations—further amount required, $95,490.

708. Investigations of radioactive ores—further amount required, $20,560.

Geological survey of Canada—

709. Geological surveys—further amount required, $59,726.

Surveys and mapping branch—

710. Topographical surveys, including expenses of the Canadian board on geographical names—further amount required, $117,060.

711. Canadian hydrographic service — further amount required, $87,186.

Dominion observatories—

712. Dominion observatory, Ottawa—further amount required, $12,048.

713. Gratuity to Mrs. Michael Feniak, widow of the late Dr. Feniak, a former employee of the Geological Survey of Canada, who lost his life while on duty in the Northwest Territories, $2,000.

714. To authorize and provide for a compassionate payment by way of reimbursement to the province of Manitoba, of the department's share of the costs in connection with an accident to Angus Thomas, employed by the Ontario-Manitoba boundary commission, who was severely burned while engaged in survey work in northern Manitoba, $7,000.

HOUSE OF COMMONS

Thursday, June 29, 1950

The house met at eleven o'clock.

NEW MEMBER

Mr. Speaker: I have the honour to inform the house that the Clerk of the House has received from the chief electoral officer certificate of the election and return of the following member, viz.:

Of Leon D. Crestohl, Esquire, for the electoral district of Cartier.

NATIONAL RESEARCH COUNCIL

Second and final report of special committee appointed to examine into the operations of the national research council.—Mr. McIlraith.

TRANSFER OF DUTIES

ESKIMOS—FROM CITIZENSHIP AND IMMIGRATION TO RESOURCES AND DEVELOPMENT

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to lay on the table a copy of order in council P. C. 3153, dated June 27, under the provisions of the Public Service Rearrangement and Transfer of Duties Act, transferring to the Minister of Resources and Development the duties, powers and functions conferred and imposed upon the Minister of Citizenship and Immigration relating to the affairs of the race of origin commonly referred to as Eskimos.

Under the general terms of the Citizenship and Immigration acts, these duties would probably come under the responsibility of the Minister of Citizenship and Immigration, but most of these people are in the territories administered by the council responsible to the Minister of Resources and Development. It was felt therefore that there would be less likelihood of any duplication if what concerned them was dealt with by and under the council of the Northwest Territories.

TRANS-CANADA HIGHWAY

TABLING OF AGREEMENT BETWEEN FEDERAL GOVERNMENT AND PROVINCE OF NEWFOUNDLAND

Mr. George Prudham (Parliamentary Assistant to the Minister of Resources and Development): Mr. Speaker, on behalf of the Minister of Resources and Development, I should like to lay on the table the memorandum of agreement between the government of Canada and the government of the province of Newfoundland in respect to the trans-Canada highway, as requested by the hon. member for St. John's West (Mr. Browne).

PRISONS AND REFORMATORIES ACT

AMENDMENT WITH RESPECT TO BORSTAL SYSTEM IN BRITISH COLUMBIA—TRANSFERS OF OFFENDERS

On the order for introduction of bills:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, a matter which is represented to me as being of some urgency has been brought to my attention by the attorney general of British Columbia. I have discussed it with the leaders of the opposition parties, and I understand they have taken it up with such of their members as might be interested. I believe it will prove to be non-controversial.

The province of British Columbia set up a Borstal system for taking care of male prisoners between the ages of sixteen and twenty-three years, and in that connection came to this parliament in the session of 1947-1948 requesting us to incorporate in the Prisons and Reformatories Act a little code of three sections referring only to this Borstal system in British Columbia, and therefore without interest to any other province.

Section 147A, the first section of this code, provides for the imprisonment of these prisoners in the Borstal institution called New Haven. In all these cases in which the prisoners could get three months or more of imprisonment in the common jail, it is open to the courts in that province to impose a sentence of three months or more definite, and then an indeterminate sentence in addition to that of any period up to two years less one day.

By section 147B, the lieutenant governor may appoint a board of parole in order to grant parole to these prisoners, and by section 147C, the lieutenant governor may authorize the attorney general from time to time by warrant to direct the removal of these prisoners from this New Haven Borstal institution to Oakalla prison farm. In this last connection the relevant words of section 147C are:

> . . . there to be detained for the unexpired portion of the term of imprisonment to which such person was originally sentenced . . .

In that province a case has arisen recently in which one of these prisoners, upon being

transferred to Oakalla prison farm after serving his definite period of time, applied to the courts for a writ of habeas corpus upon the ground that as soon as he had served the whole of his definite term of imprisonment he could no longer be detained in any prison in British Columbia, except the New Haven prison, for the indeterminate portion of his sentence.

There is no desire that any legislation which might be passed here would apply to that particular litigation, and such legislation is subject to the general rule of the Interpretation Act that it does not apply to current litigation. But what the British Columbia authorities are afraid of is that if this precedent were followed in respect of all those who have been transferred to Oakalla prison from New Haven, it might result in a number of prisoners being set at liberty. We therefore ask for certain amendments, which will be in the printed bill, which I have arranged to have distributed. These three sections will make it clear beyond any doubt that the lieutenant governor in council in British Columbia shall have the powers which it was contemplated he should have when in 1947-48, at the request of the British Columbia government, and using the language suggested by it, we incorporated these three sections in our Prisons and Reformatories Act.

Mr. Speaker: Has the minister leave to introduce the said bill?

Some hon. Members: Agreed.

Mr. Garson moved for leave to introduce Bill No. 318, to amend the Prisons and Reformatories Act.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time?

Some hon. Members: Now.

Mr. Green: We have not yet seen the bill, Mr. Speaker. I suggest that second reading be given later this day.

Mr. Speaker: Later this day.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DURUM WHEAT

Mr. Diefenbaker:

1. How many bushels of durum wheat have been sold by the wheat board in each of the years commencing the 31st of July, 1945?

2. What was the average price per bushel received by the board during each of the said years?

[Mr. Garson.]

Mr. McIlraith:

1. Year	Bushels†
Aug. 1, 1945 to July 31, 1946....	5,776,726
Aug. 1, 1946 to July 31, 1947....	7,862,744
Aug. 1, 1947 to July 31, 1948....	9,736,211
Aug. 1, 1948 to July 31, 1949....	12,681,028

†Sold in domestic market to the United Kingdom under the Canada-United Kingdom wheat agreement and to markets where the Canadian wheat board's class II prices applied.

2. Year	Average prices
Aug. 1, 1945 to July 31, 1946....	$1.47764
Aug. 1, 1946 to July 31, 1947....	1.80664
Aug. 1, 1947 to July 31, 1948....	1.57925
Aug. 1, 1948 to July 31, 1949....	2.01440

*BRITISH COLUMBIA—PUBLIC WORKS PROJECTS —CONSULTATION WITH B.C. MEMBERS

Mr. Fulton:

1. Since June 11, 1948, have any Department of Public Works officials consulted the Hon. R. W. Mayhew with respect to public works projects in British Columbia outside his own constituency?

2. If so, in how many cases in each constituency other than his own, and what was the project and the amount of expenditure involved in each case?

3. How was such consultation effected, and what was the date thereof in each case?

4. Have any other members of parliament from British Columbia been consulted or advised during the same period with respect to projects outside their own constituencies?

5. If so what members, and on what projects in the case of each such member?

Mr. Mayhew: My colleague the Minister of Public Works is not here today, but I discussed this question with him yesterday and am directed to make the following answer:

1. Yes; all works of major importance.

2. No details are kept. If the hon. member wants to get the full answer, he can quite easily consult the estimate book.

3. No record was kept of the dates. The consultations are effected in several ways: by writing, by telephone and by personal conversation. Where the minister wishes, it will be carried on with his deputy minister.

4. We do not know of any. It is probable that where a member had in his own constituency a project that affected the neighbouring constituency, they might consult with the minister through me.

5. No record has been kept.

SLAV CONGRESS

REFERENCE TO REPORT IN "CANADIAN TRIBUNE" —DELEGATION FROM U.S.S.R. TO TORONTO MEETING

On the orders of the day:

Mr. John Decore (Vegreville): I should like to direct a question to the Secretary of State

for External Affairs. According to newspaper reports, especially one in the *Canadian Tribune,* a communist publication, dated June 26 of this year, a so-called Slav congress will be held in Toronto, starting today, and will last for two days.

According to this same publication a delegation from the U.S.S.R. is coming to this congress, which will consist of Russian writers, poets and others whose occupations are not clearly defined. The delegation is headed by Lieutenant General Alexander Gundorov. Before I proceed with my question, Mr. Speaker, if I may, I should like to say just a word about this distinguished gentleman, because he is no ordinary individual.

Mr. Speaker: Order. Without the unanimous consent of the house, the hon. member would be required to put his question.

An hon. Member: Ask the question.

Some hon. Members: Go ahead.

Mr. Decore: Lieutenant General Gundorov was the chairman of the all-Slav conference held in Moscow in 1941, and presided over similar conferences in countries behind the iron curtain and in the United States. He has the reputation of a first-class Moscow organizer. In 1949—

Some hon. Members: Order.

An hon. Member: Question.

Mr. Speaker: I understood that the hon. member had the unanimous consent of the house to proceed.

Some hon. Members: No.

Mr. Knowles: No.

Some hon. Members: Yes.

Mr. Graydon: Let him go ahead.

Mr. Decore: I have just one more statement, and then I am through.

Mr. Cote (Verdun-La Salle): Finish the statement.

Mr. Graydon: Surely nobody objects to hearing that.

Mr. Speaker: With the unanimous consent of the house, the hon. member may proceed.

Some hon. Members: No.

Mr. Decore: I notice that some of my C.C.F. friends are not anxious for me to proceed.

Mr. Knowles: Mr. Speaker, on a question of privilege, when we ask that the rules of the house be observed, and be applied equally to all, that is not to be regarded as a comment on the subject that has been brought up. May I point out that the hon. member may discuss this subject on external affairs estimates, on justice estimates or in a number of places; but I submit that on this occasion there is not unanimous consent for waiving of the rules.

Mr. Speaker: I must ask the hon. member to put his question without further comment.

Mr. Decore: I will, Mr. Speaker. The question I want to put to the Secretary of State for External Affairs is whether the Canadian government has granted visas to this "distinguished" Russian gentleman and his associates, consisting of poets, artists and others who are so anxious to charm us here in Canada with their poetry, their music and other things?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I have been aware for some little time of the intention to hold a Canadian-Slav congress in Toronto, beginning I think tomorrow; and I am also aware of the nature of this organization. In the specific case mentioned of General Gundorov, an application for a non-immigrant visa was received and refused. I may add that no visas have been granted to enable persons—poets, musicians or otherwise—to enter Canada for the purpose of attending this conference. They would probably supply a form of music that we do not desire to hear in this country.

GOLD MINING

QUESTION OF EXTENDING EMERGENCY ASSISTANCE ACT BEYOND DECEMBER, 1950

On the orders of the day:

Mr. Armand Dumas (Villeneuve): I should like to direct a question to the Minister of Mines and Technical Surveys. Will the minister make a statement regarding the possibility of extending the Emergency Gold Mining Assistance Act beyond December, 1950?

Hon. J. J. McCann (Minister of Mines and Technical Surveys): As the house is aware, payments to gold mines under the present legislation will terminate as of the end of this calendar year. We have had representations from the industry, and in particular a comprehensive brief prepared by the Canadian Metal Mining Association, urging that the legislation should be extended, perhaps on a slightly modified basis.

Because of the pressure of matters incident to the closing weeks of the parliamentary session, the government has not yet been able to give consideration to these representations. When such consideration has been completed, an announcement will be made promptly as to the decision reached and

any proposals which the government may have to recommend. We hope to be able to give the mines as much time as possible for future planning.

Mr. Adamson: Will the minister inform the industry, through the *Canada Gazette* and through the mining association, in plenty of time so that they may adjust their bookkeeping for the next fiscal period? It is very important that they may know in ample time so that they may plan their operations.

Mr. McCann: Just let me repeat the last sentence of the statement I made. We hope to be able to give the mines as much time as possible for future planning.

Mr. Adamson: Thank you; I did not hear it.

BUSINESS OF THE HOUSE

REQUEST FOR BRIEF SUSPENSIONS OF SITTING DURING THE DAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Prime Minister? Out of consideration for the *Hansard* staff, could there be an understanding, despite the motion which was passed the other day—

Some hon. Members: Question.

Mr. Knowles: Could there be an understanding, despite the motion that was passed the other day, that at some time during the noon hour and some time during the supper hour we suspend the sitting for twenty or thirty minutes?

Right Hon. L. S. St. Laurent (Prime Minister): In view of the special order made by the house it would require unanimous consent, and unanimous consent in matters has not appeared to be very probable this morning.

Mr. Knowles: Will the Prime Minister ask whether there is unanimous consent? I am sure if he would ask for it, it would be forthcoming.

Some hon. Members: Not debatable.

PRISONS AND REFORMATORIES ACT AMENDMENT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, before you leave the chair for the house to go into committee of supply, may I say that we have now had an opportunity to read the bill which has been introduced by the Minister of Justice, and if he wishes to go ahead with it at this stage the official opposition will offer no objection. Apparently it is simply a matter of adopting two amendments suggested by the attorney general of British Columbia; and the minister has added a third amendment which in our opinion is perfectly in order.

Mr. Garson: And which the deputy attorney general of British Columbia, upon being consulted, agrees with. We thought it was necessary.

Some hon. Members: Agreed.

PRISONS AND REFORMATORIES ACT

AMENDMENT WITH RESPECT TO BORSTAL SYSTEM IN BRITISH COLUMBIA—TRANSFERS OF OFFENDERS

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 318, to amend the Prisons and Reformatories Act.

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

Section 1 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time—now?

Mr. Knowles: By leave.

Mr. Garson moved the third reading of the bill.

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

Mr. Knowles: May I say to the Prime Minister that perhaps the mood of the house has changed. We have just had two unanimous consents.

Mr. St. Laurent: I hope the hon. member is right.

SUPPLY

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

DEPARTMENT OF FISHERIES

111. Departmental administration, $418,340.

Mr. Smith (Queens-Shelburne): When the house adjourned last night I was prepared to be quite brief in the comment I wished to make on this item. Even though it is the beginning of a new day, my intentions are still the same. I hope I shall be so brief as to set an example for those who may follow me in this and in other matters.

I think my first words should be those of commendation, not only of the minister but of the excellent men he has in his department for the carrying out of a new forward-looking policy in regard to the fishing

industry. I was glad to hear him say yesterday that he thought the solution of the troubles of the fishing industry did not lie in the principle of price support. I thoroughly agree with that. There are times, and we have just witnessed one of them, when price support serves a very useful purpose. I am sure our friends in the province of Newfoundland will be glad to learn of this price support policy in regard to the distribution of their salted fish.

The minister is perfectly correct when he says that the most important thing that can be done is to follow out general policies which will lead to the general health of the industry. By that I mean renewing old markets which perhaps have been temporarily lost, and developing new markets. I think the general policies of the government which have led, and we all hope will lead, to a continuation of the high economic level of this country will also be reflected in the fishing industry. The industry is perhaps affected as much as, if not more than, any others when we have what we have known in the past as depressions.

The fishermen whom I represent hope that the western farmers will continue to be able to sell their beef at the very high prices at which it is selling today, so that the fishermen will be able to find a ready market for their product, which is more healthful, and we think more nutritious, than theirs. It is a product which can be sold at a reasonable price by those in the industry, at a much lower price than people have to pay for beef. Therefore I hope that the price of beef will stay just where it is, so that the price of our fish will stay just where it is.

I do not wish to take up too much time, but I feel I should point out just how important this fishing industry is to the constituency of Queens-Shelburne. Figures I have here, taken from the Nova Scotia fisheries year book, show that in 1948 the landed value of fish in the small constituency of Queens-Shelburne, with a population of only 25,000, was $3,250,000, and in that respect it stood third. Of this amount there were lobsters to a value of $1,500,000 landed on our shore. In this respect my constituency took second place in Nova Scotia.

The hon. member for Digby-Yarmouth knows, of course, that his constituency took first place in the landed value of all types of fish and in the landed value of lobster. The constituencies of Halifax and Lunenburg are the other two major constituencies, Halifax taking second place and Lunenburg, the home of the famous *Bluenose*, taking fourth place. It will be of interest to hon. members to note that although it has the reputation of being one of the greatest fishing counties—and there can be no doubt that it is a great fishing county—Lunenburg has had to take a back seat in comparison with the constituency I represent.

I believe it should be said that the large production of high quality fish in my constituency is possible because of the skill and industry of the thousands of fishermen who fish along that rocky and treacherous coast, where the storms become very severe and arise in a very short time. Approximately a thousand small motor boats are operating down there. The number is rapidly increasing, and has continued to increase since the war. Many war veterans, upon their return from overseas and with the assistance they received from provincial and federal governments, have gone into the fishing business themselves and have purchased very fine boats. The size of the boats is increasing and the engines with which they are equipped are becoming better all the time.

This increase of course results in a large concentration of boats in these small coves and harbours. I believe one of the greatest handicaps to the expansion of the industry in the past ten years has been the lack of proper breakwaters and wharves. The fishermen I represent are most grateful to the Department of Public Works for extending the breakwaters and wharves which are so necessary to the operation of the small-boat shipping industry. In the last three years the program has been extended rapidly, and I trust the Department of Public Works, in co-operation with the Department of Fisheries, will continue this work so that it may keep pace with the expansion of the small-boat fishing industry.

While I am on my feet I should like to thank the Department of Fisheries for their help in making it more apparent to the Department of Public Works and to treasury board that this expansion is necessary, and that the growth of the industry depends so much upon it.

As evidence of the high value fishermen place upon this public works aspect, it might be of interest to mention that when I was home at Easter I talked with a number of fishermen and others in the fish business. My chief topic of conversation, to begin with, was to ask their views about old age pensions, which subject was being discussed in committee. It is our hope that something will be done about this matter in the near future. Almost all of the people with whom I talked appeared to be more concerned with the funds provided to establish breakwaters and wharves so that they might be in a better position to look after their old age security

and that of their fathers and mothers who were not blessed with too great wealth. These people felt that we should not drain too much money from the taxpayers of this country for the provision of old age security when, with some little help by way of providing public works, they would be able to look after themselves. I believe this is an evidence of the fact that the people I represent are not leaners. As has been pointed out, they do not qualify for unemployment insurance. I do not think they want anything like that, but they do want a better chance to look after themselves.

It might be of interest to the committee—I am sure the Department of Fisheries is aware of it, but perhaps it should be emphasized—that our fishing industry down there is practically all of the small-boat variety. Ninety-seven per cent of the fish are landed from small boats. In contrast to this, about sixty or sixty-five per cent of the fish landed in the other two larger fishing constituencies to the east, those of Lunenburg and Halifax, is landed by larger boats. When I refer to the larger boats I include schooners, trawlers, draggers and that sort of craft.

It is clear therefore that the fishing industry is divided into two sections, small-boat fishing and large-boat fishing. There is no question about the quality of fish landed by small boats. The price obtained by small-boat fishermen is usually a little higher. I know, for example, that several firms will deal only with small-boat landings, because the quality of the fish is that much higher. Its quality can be depended upon.

I would ask the department to keep firmly in mind the great importance of this industry in western Nova Scotia. Some observers detect a tendency to change to mass production methods, but I think we should keep this matter of quality in mind. It is important, and I think all those connected with the business realize that. This is one way in which our sales can be expanded—by making sure that the quality is kept high.

It may be of interest also to note that the decentralization of production by small-boat fishing makes an even distribution of employment along the coast. The degree of decentralization in the fish business is striking, where the small boats are used. For instance, in Lunenburg there are eighteen fish plants, whereas in Queens-Shelburne there are sixty-eight. I believe it is fair to say that almost every cove and every harbour has at least one fish dealer in it, which, of course, results in the young men growing up and staying in their own villages. Some years ago there was a great movement back to the land. Down there we have a back-to-the-sea movement, and we believe it is most important.

I am informed there is one great weakness so far as quality is concerned. Many wholesalers buy fish by the freight carload because the rate by freight carload is cheaper. In many instances this results in wholesalers buying more fish than they can sell readily. This means that they must carry over that fish, with the result that the fish carried over cannot be of the same quality as if it were marketed immediately. I do not know how difficult this problem may be, but it seems to me the department might consider the possibility of encouraging the shipping of all fresh fish by express only. I do not know just how this could be done, but I certainly think consideration should be given to it.

That is about all I have to say at the moment. May I summarize by urging the department to realize the importance of small-boat fishing when formulating its policy, and urging it to continue its assistance in having recommendations from the Department of Public Works approved by treasury board, so that larger quantities of high-quality small-boat fish can be placed on the market. I urge them also to continue research and assistance toward improving methods of transportation so that the quality of the product that reaches the consumer will be improved. I urge also that everything be done to keep this industry decentralized so that the fishing villages will continue to flourish for many years as the true home of free enterprise.

Mr. McLure: Mr. Chairman, after the speeches that have been made on this administration item it is not my intention to extend my remarks at all, but there are a few things I should like to say on the individual items. Last year the minister made an excellent statement with regard to the prospects of the fishing industry in Canada, and I was hoping this year he would extend his remarks and indicate whether the policies which he suggested before had worked out for the benefit of the fishing industry.

On several occasions when estimates have been before us I have indicated that I felt it was a mistake for the departments to ask for blank cheques. In this particular case there is a considerable amount being asked for in connection with which no information is provided. For instance, we are being asked to vote a total of $8,931,590, out of which $3,109,477, or practically thirty per cent, is accompanied by no information with the exception that reference is made to temporary assistance. When you consider the

casual assistance that is provided for, this amount is brought up to practically fifty per cent. The committee should be told something about it. This year we are told that there are 1,292 temporary employees besides the casuals and permanents, but there should be a breakdown to show how many are inspectors, how many are superintendents, and how many are day labourers. The minister has been engaged in big business, and I know he would not want his manager to come to him and say he wanted thirty-five per cent of the year's outlay for purposes about which he would tell him nothing.

I hope the minister will give the committee a further statement. Later on I shall have questions to ask, more particularly with regard to the establishment of fish meal plants in my own constituency, and in relation to draggers.

Hon. R. W. Mayhew (Minister of Fisheries): The total number of people employed by the department at the peak of the season is 3,391, some of whom may work only a week, some a month and some two months. The regular staff numbers 1,526. There is a great fluctuation in the number of persons employed.

Mr. McLure: That is part of the information I was looking for. There are 316 civil servants in the department, with an additional 1,892 temporaries. Then on top of that are the casuals, which brings the total to the figure the minister mentioned. We have never had any information about this large number of temporaries. When are they to be made permanent?

Mr. Browne (St. John's West): This is the department in connection with which hon. members from Newfoundland might be expected to speak *in extenso*, but I shall condense my remarks to a few observations.

I am glad to see that the minister has regained his optimism about the future of the fishing industry in Newfoundland, even if he has abandoned his attempt to revolutionize it overnight by changing it from a salt cod fishing industry to a fresh fish industry. There is room for both, and a proper balance should be struck. If this is done, a great future lies before the industry.

The minister seems to have the most highly trained staff of any department of government. When I looked at the list in the annual report of the fisheries research board I was amazed at the high quality of the technical and scientific staff engaged in the department. I am sure that the majority of the fishermen do not realize that there is such a highly qualified body of men behind them who are studying their problems and trying to help them make a better living. Some of the men in that list have quite a reputation; I notice particularly Dr. Huntsman, who at one time was associated with the fishing industry in Newfoundland.

As this report was in our hands before the estimates of the department came up, we had an opportunity to see what had been done during the year. This is the very point I made in connection with the geological report in mines and resources. I found it most interesting reading. There is one item on page 48 of the report I should like to draw to the minister's attention and ask if it really means what it says. In connection with haddock, it states:

> Measurements in 1949 at sea and on shore during four trips of commercial trawlers have shown numbers of haddock discarded at sea of 47, 32, 71 and 49 per cent of the total catch. Varying percentages of the haddock below 50 centimeters were discarded.

That seems to be a tremendous amount of fish to be lost. I believe that the minister shares the enthusiastic outlook of his staff as to the new vistas that have been opened up by the enlargement of Canadian fisheries with the annexation of Newfoundland. Newfoundland has a great variety of fish that still remain to be exploited. We not only have cod, but also lobster, salmon, trout, mackerel, herring, plaice, halibut, clams and scallops. Then there are various processes of preparation and preservation, such as salting, drying, freezing, canning and shipping in the live state. Then there is investigation of stocks on the Grand Banks and in the different waters around the island, the location of these stocks, the establishment of hatcheries, and many other possibilities.

I might say that in reading this report I was surprised to learn of the work that has been done by the scientific gentlemen to whom I have referred in the discovery of the location of fish. Let it be said again, as Bacon said hundreds of years ago, that the fisheries of Newfoundland are more valuable than the silver mines of Peru. If properly developed and protected they should be like the prairie soil, a source of great wealth for ever to the people of this country. The increasing world population, and the scarcity and high price of animal products, particularly in time of war, have compelled the nations of the world to look to the sea more than ever for their food.

I should like to see the fishing industry of Newfoundland, as the hon. member for Queens-Shelburne said about his province, maintained on a sound basis. From a social as well as from an economic point of view the methods of fishing in Newfoundland were

ideal. I do not wish to see the fishing industry become centralized and highly industrialized like the motor car industry, unless the fishermen are to be partners and shareholders in the enterprise. The principle of private ownership, which is a very important feature of the Newfoundland fishing industry, must be preserved, and, I suggest, improved and strengthened. In the past I had the honour to be closely associated with the co-operative movement which was introduced into Newfoundland in 1936 from Antigonish. I may say, especially in the sale of live lobsters to the United States, that the co-operative movement has been outstandingly successful.

The provincial government is so alert to the value of co-operation in regard to the fisheries that the new provincial minister of fisheries has also taken the title of minister of co-operatives. The set-up in Newfoundland therefore provides a field of endeavour for any economist associated with the fisheries research board of Canada, and I hope there is one who is familiar with co-operative methods. Probably there are many, although I am not aware of it. I trust there is one who is interested in and conversant with the co-operative methods developed at Antigonish.

I cannot emphasize too strongly the necessity of building on the traditional methods of independence amongst the fishermen. I know that many of them are sometimes badly off at the end of a voyage when the fish fail them; nevertheless the principle is sound, and remedies can be found to cure the scarcity of fish. I am going to speak about one now. In my opinion the study and application of co-operative practices is the best way of improving the economic position of the fishermen.

I am forced to speak about an important need in many parts of Newfoundland, the supply of fresh bait daily. The Minister of Fisheries is familiar with the pressing need. The supply of fresh bait daily to fishermen who are using trawls or the hook and line is an absolute necessity. It is impossible for them to carry on without it. I wonder if the establishment of a floating bait freezer is not the solution for a large section of the coast. I am glad to see that the minister is making an experiment in that direction this year, and I trust it will be very successful. I hope it will be able to operate in my district, because the constituency of St. John's West, although it is so largely concerned with the city, is probably the most important fishing section of the country. Five big trawlers operate a shuttle service to the Grand Banks from the south side of the city of St. John's and bring in large amounts of fresh fish.

From the south side of St. John's for 100 miles down the coast to the Ferryland district, fifty miles up into St. Mary's bay, down to Placentia bay and another 150 miles up Placentia bay, in every settlement along that 300 miles stretch of coast there are fishermen who go out in boats, punts, dories or jackboats, to fish with hook and line, trawl, net or seine. A ready supply of fresh bait is essential to most of them if they are to catch fish. To have such a supply near at hand is also important, because it means that they can keep down the cost of catching fish, which will mean that there will be more profit. I feel sure that the minister is sympathetic to their position; because I have already drawn to his attention the need of places like Renews bay—where there is an industrious group of fishermen who sail out in jackboats many miles away—and Bay Bulls. I understand it was decided that there would be a bait depot at Placentia. I trust that the minister is still considering these matters and that he will not disappoint people who are expecting to have these facilities.

There is one other matter to which I should like to refer, the salmon fishing industry in the inland waters so far as the tourist trade is concerned. The preservation of salmon stocks requires a study of inland waters and therefore close integration between forest research and water supply. The maintenance of levels in lakes and rivers is a very big problem, and can only be done by co-operation between experts in the Department of Fisheries and the Department of Resources and Development. I am aware that at the north-east section of Trepassey river tagging was carried on for a short period, and the warden of that river also made some examination of all fish caught by measuring the length and taking samples of the scales to be sent to the biological station in St. John's. I trust that practice can be carried on in as many rivers as possible.

I noticed that there was tagging being carried on in Cape Royal river, which I know very well. It is a tiny river, and I do not think it is suitable for that purpose. The Trepassey is a very much better river. I have been going there for sixteen years, and I know it has a steady supply of fish except for last summer which was most extraordinary. For the first time the fish were prevented for weeks from entering the river. When the water level becomes too low in the river, fishing is finished. We have to try to keep people from cutting timber along the

banks of the rivers and lakes so that there can be a more even flow of water. If that effort is successful, then salmon fishing in the rivers will be, as it should be, a great attraction for tourists and will provide much pleasure for them.

That is all I wish to say, Mr. Chairman, but I trust that the minister will give some consideration to the points I have raised.

Item agreed to.

112. Fisheries inspection, including fishery officers and guardians, fisheries patrol and protection services, $3,771,000.

Mr. McLure: I notice that there is an increase of $546,000 over last year. No doubt it is due to the number of extra employees who have been taken on. I see that there are 275 inspectors and other types of officers. I should like to know how many of these are inspectors or fish wardens in Prince Edward Island. If the minister could also give an idea of the work these officers are doing in Prince Edward Island, I would appreciate it.

Mr. Mayhew: Mr. Chairman, item 112 covers additional positions. There are 275, and that includes a number of inspectors who have been taken over from the Newfoundland fisheries board and are now included in the regular estimates. Last year they were covered by a separate estimate. That amounts to $359,206. Then there are the regular statutory increases, promotional increases, reclassification increases, and casual assistance, which amounts to $176,367. This will give the hon. member an idea of the details in connection with that particular item. The number employed in Prince Edward Island is 37 full time, and 22 of these 37 are inspectors.

Mr. Higgins: Will the minister state whether the inspectors that were taken on from the Newfoundland service are on full time?

Mr. Mayhew: The staff of the Newfoundland board has simply been transferred to our department, and is on full time.

Mr. Higgins: Does this also take in the wardens on the rivers?

Mr. Mayhew: I believe they have been taken over as well. We have recently taken over the inland fisheries.

Mr. Higgins: And it applies to them? They will be permanent too?

Mr. Mayhew: I think they are, but I would not like to make the categorical statement that all of them are.

Mr. Higgins: The minister does not know how many of those wardens there are?

Mr. Mayhew: The department took over 40 from the Newfoundland fisheries board, and they are permanent.

Item agreed to.

113. Educational extension service, including grant of $3,000 to Lunenburg fisheries exhibition, $225,000.

Mr. McLure: In connection with the educational program, I should like to know who is the fishing demonstrator, and lecturer, and what area he or she covers. I should like to find out what the $82,160 for materials in the lecture course covered. What are they required for, and what are they? Another large item is advertising and publicity. What is the object of the advertising, and what type of advertising is done? Is it to increase the consumption of fish or the production?

Mr. Mayhew: As to the first question, the person responsible is Miss Hazel Freeman. She has been with the department for many years, and is a capable person. The money spent on supplies and materials is to provide for obtaining exhibits for display at national exhibitions and regional fairs; for the production of educational films and the obtaining of film strips and still pictures; for materials and supplies necessary for the display in the development of the consumer service. The decrease is due to the fact that some of the existing exhibits can be utilized at new locations.

Mr. McLure: The item seems very large for materials for a lecture course.

Mr. Higgins: Will the minister outline what this item covers? I am not familiar with it, and it would not take too long.

Mr. Mayhew: This service provides for the operation of the departmental information and educational service, which includes fishery cookery demonstration exhibits at national and regional exhibitions; film and film strips and still pictures; consumer education; publishing of reports and pamphlets, cookbooks, etc., including the monthly fishing trade news advertising; and for providing technical services to fishermen and the fishing industry.

Mr. Higgins: Why the particular reference to Lunenburg? Is that a special fair or exhibition?

Mr. Mayhew: It is a grant to that special exhibition at Lunenburg.

Mr. Higgins: Is that the only exhibition there is?

Mr. Mayhew: That is the only one of that kind.

Item agreed to.

114. Fish culture development, $750,000.

Mr. Sinclair: Mr. Chairman, I am making my annual speech on the small dam in my riding which has not yet been built. Before I do so I want to speak first as a representative of a fishing riding, to say once again how pleased we are with the steady progress which has been made in the development of the fisheries department since the end of the war. I have in my riding both the fish packing industry, and a great number of fishermen. Both the industry and the fishermen are pleased with the steady expansion of the service, and the conservation work which has been done. That does not blind me to the fact that there is still a cinder in the eye so far as my riding is concerned, and that is the little fishing dam on Sakinaw lake near Pender harbour, which is the chief fishing town in my riding.

I have talked about this for ten years. When the present Minister of Fisheries became minister he saw the need for the dam, and an item of $5,000 was put in the estimates. It is about twice what the dam should cost, but that shows you how small a problem it is. The fishermen tell me that when the previous dam was in place the sockeye salmon were there to the extent of about 20,000, which means a fishery of about $40,000 a year. It made excellent fishing for the old men and the boys in the area, because the fishermen themselves go far afield. I am much interested in this community, because I think it is typical of the very best fishing communities. The fishermen are mostly of Scotch descent. They do not ask for price support; they do not ask for big expenditures for fishermen's harbours; they do not ask for assistance in the construction of boats; they do not ask for free bait; all they want to do is to fish. They want to fish the year round, and sometimes they fish more enthusiastically than the department sees fit, and they have trouble because they are working too hard. The one thing they do want to make sure of is that there shall be fish there for fishing.

It is now two or three years since the item for this small dam was voted, but there have been continual delays in the building of this little dam. It could be built in a week. The latest delay is said to be caused by the Indians who own the land through which this stream passes. They are demanding a rental of $150 a year. The fishermen's union and I have taken it up with the local Indian band, and they have consented to reduce the rental to $75 a year. The local chief said that if a white man owned this land the government could not build on it without paying a rental, and after all, the Indians have as much right to their land as the white man. I must confess I am inclined to agree with the Indians.

Under this item I do not think it unreasonable for the department to do two things. First of all they should pay the Indians what they would pay a white man if he owned this property; second, investing a small amount of money to produce fish that can be sold is better than paying price support for fish that cannot be sold. I should like to ask the minister what progress is being made in the negotiations with this Indian band.

Mr. Mayhew: The member for Coast-Capilano said the Indians had agreed to a rental of $75 instead of $150 for the land. This is the first time I have heard of that. They have been asking $150. It is true that $150 is not in itself enough to delay this or any other project, but it establishes a precedent or basis of calculation that would make some of the other projects we have in mind away out of reach. The department at the present time are proposing to build a fishway at Morristown, and that fishway will cost in the neighbourhood of $60,000. It also is on an Indian reserve. If we had to pay $150 a year for the privilege of having a few square feet to anchor the dam on each side of the small Sakinaw creek, then I do not know what we would have to pay for similar privileges at Morristown. So it is not just the $150.

I know there has been delay, and no one's face is redder than mine about it. First, there seem to be about as many steps to take in getting through a small project as there are in getting through a large project. Here it was to dam this creek. There were nineteen people that we had to get permission from. Of those nineteen people I think only one or two were residing there; the others were scattered around with domiciles in different parts of Canada. They had to be hunted up and their permission had to be obtained to raise the water level. That has been done. Then when we went to the Indian band, they wanted $150 as a yearly rental. The last communication we had on it was just a few days ago. The present minister in charge of Indian affairs has been most co-operative and helpful, and I think the matter will be settled soon. I do not think the hon. member will have to bring the matter up next year. I hope, however, that will not prevent him from making a contribution to these discussions.

Mr. Sinclair: I will certainly ask the minister about it next year, and in view of what he has said, I hope that the answer will be that the dam is built.

Mr. Higgins: May I ask the minister how many hatcheries there are, where they are

located, and what type of fish they are taking care of in those hatcheries? Is any special provision being made for Atlantic salmon? If so, where are those hatcheries? What investigation has been carried on at the Grand Banks?

Mr. Mayhew: We are not carrying on any extensive investigations at the Grand Banks; but so far as salmon is concerned, we are doing a great deal, not in one province but in all provinces. I think hon. members will recall that some time ago I said I thought that our efforts should be weighted towards the species of fish for which we could get a ready sale. One of those species is of course salmon, both on the Atlantic and on the Pacific coast. Although our Atlantic friends think we have not the right to call our Pacific coast fish salmon, nevertheless that is what we call them.

We are spending a great deal of money in clearing streams, in providing dams and in seeing that the fish get to the spawning grounds. We are fighting a hard battle not only to maintain our present supply of fish but to increase it. That battle is against industries that sometimes regard our rivers more as a sewerage system than anything else. We have to try to get fish up there and to get them to live in that kind of environment.

We are trying to protect the species against improved methods of catching fish. The kill of salmon from a commercial standpoint and the kill of salmon by sportsmen is increasing rapidly. I make no apology for having some increase in this item, and I think that the amount will probably have to be increased rather than maintained at the present level if we are going to win in this fight. It is not only for the salmon, but it is for the many other species of fish for which there is an easy market and of which we cannot find enough to supply the present market, such as lobsters, oysters, shrimp, and some groundfish. There is a ready market for them. We are spending a great deal of money. We are not detracting or taking away from our efforts with regard to the others, but we are adding to our efforts in connection with those particular species.

The hon. member asked how many hatcheries we have. The number in Nova Scotia is 15; in New Brunswick, 7; in Prince Edward Island, 3. That makes a total of 25.

Mr. Higgins: Is it proposed to establish any hatcheries in the newest province?

Mr. Mayhew: We shall have to give that matter consideration. We have only taken over for a few hours, as it were.

Mr. Higgins: I am not making any complaint.

Mr. Mayhew: We have no objection to your bringing these matters up for discussion and pressing for them. We realize that in some of the provinces the fisheries are the basis of their economic stability. We are trying to work out plans with the provincial government, with the industry and among ourselves, so that all three will combine in an effort to maintain that stability. It affects particularly the province of Newfoundland, but it also affects New Brunswick, in a lesser degree Nova Scotia, and in a still lesser degree Prince Edward Island, which is so highly developed as an agricultural centre. It is a beautiful place, and we are not neglecting it. You have some districts in Prince Edward Island that we think are marginal, and we should like to do something about it just as soon as we can get around to it.

Mr. Higgins: Last year I made a suggestion to the minister in connection with the conservation of salmon. I would appreciate some comment from him if he feels like making it. At that time I suggested that the only salmon fishing I know of is that which is done in Newfoundland, and at the mouths of the rivers; a number of the fishermen live there and they fish right at the mouth of the river. I made the suggestion that it might be well to subsidize these fishermen not to fish for a period of two or three years. It might be much cheaper than having hatcheries in Newfoundland. I think it could be easily arranged. I know the minister is aware of the situation, since he was in Newfoundland last year. The fishermen use nets close to the mouths of the rivers. They use cod nets. They cannot be prohibited. Because of the use of cod nets, the smallest type of salmon are being caught and the rivers are definitely becoming depleted. I should like to have the minister's comment as to whether he agrees with that suggestion or not. To me it appears to be a sensible way of handling this conservation problem. Nobody would be hurt, and the department would still be saving money.

Mr. Mayhew: It sounds like a simple way; but I think that if the hon. member were sitting in my position as Minister of Fisheries he would have to get larger premises to accommodate the delegations of sports fishermen who would descend upon him if they were robbed of their rights to catch some fish.

Mr. Higgins: I did not say to rob them; I meant to pay them.

Mr. Mayhew: Even to delay them. With most of the fishermen there is no tomorrow.

That is our principal trouble, that there is no tomorrow so far as the fishermen are concerned. We are trying to create a tomorrow by doing a good job.

Mr. Higgins: I merely want subsidies and support, not for the sport fishermen, but for the sea fishermen at the mouths of the rivers; pay them what their average catch would be. The result would be a great saving of fish.

Mr. Mayhew: And it would cost the government about $50 million a year.

Mr. Higgins: Oh, not at all—not anything like that.

Mr. Mayhew: If you did it there you would have to do it at other places.

Mr. Higgins: I merely suggest trying it as an experiment at a couple of rivers.

Mr. Stuart (Charlotte): I was very much interested in the statement made by the minister. He suggested that fish for which markets are readily to be found were receiving consideration so far as protection is concerned. Mention was made of lobsters. My mind goes back to several articles that I read recently in magazines published in the state of Maine, indicating that lobster hatcheries in the state of Maine are making a very favourable report this year. I have seen several statements of the kind. To my knowledge the hatcheries that we have in New Brunswick have nothing to do with lobsters.

As any member of the department who has visited the maritimes would know, there is no shortage of spawn lobsters in that territory. At different seasons of the year thousands and thousands of female lobsters, spawn lobsters, can be obtained. In the exchange of information between the minister's department and the United States department, is the minister in a position to say whether the statement I have made is correct? Has the fisheries department in mind at any time the idea of establishing hatcheries somewhere in the maritime provinces?

I might also mention that in my riding—and one's own riding is the one that one usually thinks of first—there is a lobster pound that was formerly used by R. J. Conley Company. It would be available at the present time for that type of work. I am sure it could be obtained at reasonable rental by the department, and lobsters are available at all seasons of the year in that region. I should like the minister to comment on that.

Mr. MacNaught: In reply to the hon. member for Charlotte I may say that in the state of Maine the value of artificial hatching of lobsters has become so doubtful that the authorities there have cancelled plans for the expansion of the facilities. Instead they are carrying out an extensive investigation to determine what happens to the small lobsters when they are planted. They are using the entire output of their rearing station for this purpose. Canadian scientists are keeping closely in touch with this investigation. It would obviously be unwise to undertake any program of establishing lobster rearing stations until further results of this investigation are available.

Mr. Stuart (Charlotte): The parliamentary assistant has mentioned the value of lobster hatcheries. Can he give me some idea of the value of trout hatcheries in New Brunswick to the industry and to the general public?

Mr. MacNaught: The great value of trout or salmon hatcheries is chiefly to restock areas where the species have become badly depleted.

Mr. Stuart (Charlotte): I believe the same number of men who are employed in the trout hatcheries in New Brunswick could be employed in the rearing of lobsters. If that were done we would find in a very short time that in dollars and cents it would be worth a great deal more to New Brunswick than the set-up you have at the present time.

Mr. Blackmore: May I say a word or two in support of the minister's policy of increasing hatcheries and increasing the supply of fish throughout the country? I believe it is a fundamental principle that has to be recognized, and it is beginning to be recognized by everyone in Canada that we should do everything possible to build up our stocks of fish to their former abundance. I therefore support the minister in the expenditures that he now asks for, and I would support him if they were greater than the ones he now proposes.

I should like to bring one matter to the minister's attention. I am not quite sure whether he has to do with the fish hatcheries in parks. In my riding we have a park, and I suppose you will find parks in a great many other ridings, in which there are lakes and streams in which it is desirable to replenish the fish. There is a hatchery there, but up to the present time the reports that I have indicate that the hatchery, after producing the small fish, the fry, turns the fry loose into the lakes—

Mr. Mayhew: Is this a national park?

Mr. Blackmore: Yes, Waterton national park in southern Alberta.

Mr. Mayhew: That is under a different department.

Mr. Blackmore: The principle is all right, anyway. The point is that the fish are turned into the lakes while they are tiny little

things. There they readily become the prey of other fish. It seems desirable, in fact it must be desirable, to have little pounds made where the water will be warm enough and where these little fish can attain sufficient size to be able to take care of themselves. I understand they would then be called fingerlings. I wonder whether the minister has taken steps to provide for little pounds in which the fish could grow up. I would support such a proposal because the wastage of little fry when they are put into the lakes to look after themselves is terrific.

Mr. Mayhew: National parks are not under the Department of Fisheries; neither are the hatcheries in these parks. This matter should be referred to my colleague the Minister of Resources and Development, who is in charge of tourist trade.

Mr. Blackmore: Is there any provision for correlation between the efforts of the Minister of Fisheries and the efforts of the minister in charge of parks? It would seem to me to be an excellent opportunity for correlation.

Mr. Mayhew: In addition to that, we do not administer fisheries in the central provinces. These parks are mostly in the central provinces; therefore the co-operation would come through the provincial government rather than through the federal government. We are glad to give any assistance we can when we are asked, but we have not been asked.

Mr. Low: Do the minister and his department agree with the principle stated by the hon. member for Lethbridge, that instead of stocking streams and lakes with fry, have rearing ponds of various descriptions to raise them to the point where they are able to take care of themselves? I understand that in the stocking of fry the mortality is up to ninety per cent.

Mr. Mayhew: Our policy is to have hatcheries and to have rearing ponds. From the rearing ponds they go to the streams in which they are planted.

Mr. McLure: Under this item of fish culture I notice there is $112,899 for materials; and for the acquisition or construction of buildings there is an amount of $166,030. Where were the buildings purchased?

Mr. MacNaught: The materials and supplies for the hatcheries include gas and oil for the department's trucks, fuel oil, wood and coal for the fish hatcheries and dwellings, ice, salt, nails, brooms, brushes, whisks, truck tires, rubber boots, coats, fish food, and so on. That is fish food for the fish in the ponds, and it consists of beef liver, hog liver, spleen, lungs, lamb livers, horse meat, dried blood, sardines, herring, tripe and so on. Then there is the purchase of fish, eggs of parent salmon, water fertilizer, material for poisoning lakes, rifles, shot guns, ammunition for predator control, and screen clearance.

Mr. Smith (Calgary West): Do they give them liqueurs after feeding?

Mr. MacNaught: Absolutely. This amounts to about $50,000. Then there is the acquisition or construction of buildings, including the land.

Mr. McLure: What about buildings?

Mr. MacNaught: It is mostly for repairs. There is a large list of them, if the hon. member thinks it worth while to put it on the record. There is Bedford hatchery, $7,500; Grand Lake rearing station, $3,000; Margaree hatchery, $3,400; Mersey river rearing station, $6,000—there is a whole list of them. Does the hon. member want me to continue?

Mr. McLure: No.

Mr. MacNaught: There is one large item for the construction of the Morristown fishway for $60,000.

Mr. Catherwood: As the great lakes fishing industry is an important part of the industry in Canada, will the minister outline what work has been done in fish culture on the great lakes?

Mr. Mayhew: That is done by the province of Ontario. They administer their own fisheries and look after their own fish culture. However, we are willing to co-operate with them and to advise, if necessary.

Mr. Catherwood: Does not the federal government make a contribution toward hatcheries on the great lakes?

Mr. Mayhew: I am told we do not.

Mr. Macdonnell (Greenwood): On a question of privilege, I am wondering whether this protest movement in action to my left would come under your scope, Mr. Chairman. I note that standing order 12 says that Mr. Speaker shall preserve order and decorum. Could we have a ruling, or does it come within your authority?

Mr. Stewart (Winnipeg North): There is very little evidence left of any breach of order and decorum. The sandwiches have been eaten.

Mr. Higgins: What knowledge has the department in connection with the successful canning of live lobsters?

Mr. Mayhew: This experiment was begun about a year or two ago, and we have not heard anything about it recently. We have very little knowledge of it. It appears to be an expensive process.

Mr. Higgins: Is it successful?

Mr. Mayhew: It is successful in that the lobsters can be moved from one point to another and kept alive for some considerable time. But the expense involved is considerable.

Mr. Smith (Queens-Shelburne): Mr. Chairman, I have been in communication with the department for some time about repairs to dams on the Medway river in Queens county. Medway has been, and I think still is, one of the world's finest salmon rivers. The water levels have continued to drop, and it is felt down there that by erecting dams to hold back the water it would improve angling and help the situation considerably. Has any action been taken?

Mr. MacNaught: The work being carried out on the Medway consists of the building of two small dams, one at Hog Lake and one at Black Rattle, with the main purpose of holding back the water for a longer period and thus enhancing the angling development during the low-water period of summer. The amount for the Hog Lake dam is set at $4,000, and at Black Rattle, $2,000. The Medway system at present is relatively clear. The main trouble was at Charleston, and it is now being removed. A fishway has been installed at Brookfield, and one at Harmony Mills. Negotiations are now under way regarding the screening of the intake of the power station to protect the downstream migrants in this place.

Item agreed to.

115. Oyster and clam culture, $78,900.

Mr. McLure: I notice there is an increase of $5,200. Is this because of taking in clam culture with oyster culture? What is the revenue from oysters in the maritime provinces? I understand that something over $300,000 worth of oysters were shipped from the leased beds of Prince Edward Island. What would be the royalties on those, and how are they collected?

Where is the clam culture taking place? What kind of clams are being cultivated? Is there any culture of quahogs? Some people are keenly interested in the quahog industry.

Mr. Mayhew: As has been pointed out, the increase here is $5,200. This consists of increases in permanent salaries amounting to $660, temporary assistance, $1,360; wages, $1,735; acquisition of equipment, $4,500. This makes a total of $8,255. Then there are some decreases in printing and stationery, and office equipment, $75; travelling expenses, $1,990; material and supplies, $950, and sundries, $40, making a total decrease of $3,055, or a net increase of $5,220.

[Mr. Mayhew.]

Mr. McLure: What royalties were received last year? Where does the clam culture take place?

Mr. Mayhew: The over-all oyster royalties amount to $5,132.62. There is no specific area in which clam culture is taking place. It is linked in with oyster culture.

Mr. Black (Cumberland): What progress has been made in the protection of oyster beds in Cumberland county? The department had undertaken certain work near Wallace and Malagash, and took over certain established beds. It is expected that these beds would be turned over to private individuals who would lease them. Could the minister make a statement on this?

Mr. MacNaught: The oyster developments around that area have been going on rather slowly. At Malagash arrangements are being made to construct a dike in an adjacent silt-free area. The department's object is to demonstrate the practicability of utilizing tide flats for the production of seed oysters, as is now done in many European countries and in parts of the United States. If successful, this method may prove to be the cheapest way of rearing small oysters. The great difficulty in the oyster industry is the rearing of small oysters.

Mr. Black (Cumberland): What happens to the young oysters? Are they distributed throughout the district?

Mr. MacNaught: They are placed in other areas.

Mr. Black (Cumberland): There are some beds being developed for commercial purposes, and I should like to know what success has been achieved.

Mr. MacNaught: I have no information on that before me, but I can assure the hon. member that this matter is receiving very sympathetic attention.

Mr. Black (Cumberland): This effort has been carried on for some time, and I understood one of the primary purposes was to establish beds for the commercial production of oysters in the Wallace harbour and Malagash area.

Mr. MacNaught: Very little interest has been shown by the local people in leases. We have not the details before us, but I know that in the Northumberland strait area the quantity of oysters has been increased by 100 barrels in 1949 over 1948. In 1948 the production was 3,500 barrels; in 1949 it was 3,600 barrels.

Mr. Black (Cumberland): That does not indicate very great success. I understand that a good oyster bed will produce several hundred barrels per year per acre.

Mr. MacNaught: But it takes a long time to develop it.

Mr. Black (Cumberland): Only a few years.

Mr. MacNaught: Oh, no, it takes from four to six years for oysters to grow to a merchantable size.

Mr. Black (Cumberland): The life of an oyster is only four or five years. I understand that the effort is being made to bring some of these oyster beds back into production. There is practically an unlimited market for oysters from Prince Edward Island and New Brunswick, because people all over Canada realize there is no better oyster to be found anywhere in the world. I am disappointed that the minister cannot give a more satisfactory report on these efforts that have been carried on for many years.

Mr. Mayhew: We have not the complete history before us, but I shall undertake to supply the hon. member with it. He is interested in this matter, and the success of the project depends upon the interest shown by the local people. We hope the interest shown by the hon. member will stimulate interest by others. This must be regarded as something in the nature of an experimental farm, and sometimes the results seem rather slow. They seem to be slow to me, and I can understand why they seem to be slow to the hon. member.

Mr. Stuart (Charlotte): About ninety per cent of the clams that are shucked in Charlotte county, as well as most of the lobsters produced there, are shipped to the United States. In the past large clams have been shipped to the United States, but they have not been received favourably, and in many cases losses have been sustained by the shippers. The United States market demands a small clam. This may be due to the fact that they are sold by the dozen at roadside stands and restaurants. The same thing applies to lobsters.

I understand it is hard for those who have little knowledge of the lobster industry to realize the difference between the price received for a chicken lobster and the price received for a select lobster. A chicken lobster will bring no more than 35 cents per pound on the market, whereas a select lobster is worth from 60 to 65 cents per pound. Whether we like it or not, we shall have to supply that market with the type of lobster they want and with the small clam they want.

When the large clam canneries are operating, the shuckers are able to sell the large clams to the canneries, but when they are closed there is quite a loss in that regard. I ask the department to give serious consideration to changing the size limit so that these shucking plants may carry on. In my own constituency these plants employ quite a number of girls who make good money, and in my estimation they are responsible for the price of clams being higher today than at any time in the history of the country. I ask the department to consider seriously the fact that we have to produce something that will sell, that we have to give the United States market the type of article they want over there.

Mr. McLure: Did the hon. member say that chicken lobsters were worth 65 cents a pound to the fisherman?

Mr. Stuart (Charlotte): I quoted the prices paid by R. J. Conley Company at St. Andrews for live lobsters.

Mr. McLure: What does the fisherman receive at the boatside? He never gets more than 23 cents per pound.

Mr. Stuart (Charlotte): I do not want to enter into an argument about price spreads. These lobsters are held in pounds for several months. They are purchased in Prince Edward Island, New Brunswick and Nova Scotia, and sometimes great losses result. R. J. Conley and Company ship lobsters to the United States 365 days in the year. Recently I was in their plant with the Minister of Veterans Affairs, and on that day they shipped 26,000 pounds of lobsters to the United States. More than ninety-six per cent of the lobsters they purchase are sold in the United States.

Item agreed to.

119. To provide for Canadian share of expenses of the international Pacific salmon fisheries commission, appointed under treaty dated May 26, 1930, between Canada and the United States, for the protection, preservation and extension of the sockeye salmon fisheries of the Fraser river system, $180,650.

Mr. Gibson: I know the minister must have received a communication recently from the united fishermen and allied workers union in regard to the proposed division of the catch of sockeye salmon that will come to the Fraser river this year. I wonder if it would not be advisable for the minister to give us some idea of the reply he made. It might be helpful to other members from British Columbia who received the same letter.

Mr. Mayhew: The letter that the hon. member refers to came to my office only a couple of days ago. I have scarcely had time to do more than read it. I have not given it enough consideration to reply to it, but will be doing so in a day or two.

Item agreed to.

121. To provide for transportation, dressing and dyeing and other expenses incidental to receiving and disposing of fur seal skins accruing to Canada pursuant to provisional fur seal agreement between Canada and the United States by exchange of notes dated December 26, 1947, $500,000.

Mr. Higgins: I should like to ask the minister for an explanation of this item of $500,000. This is what you spend but what do you get out of it? What profit is there to Canada?

Mr. Mayhew: The net profit to Canada on the Pribilof seals last year was $682,000. Sixty-five per cent of our portion of the seals goes to the Fouke fur company in St. Louis for dressing, twenty-five per cent to C. W. Martin & Son, London, England, and ten per cent to Martin-Schnaufer Limited in Toronto. We have been checking with the firm in Toronto to see how they are getting along, and our latest information is that England is sending 400 of its seals to the Toronto factory for processing, indicating that there is a development taking place at Toronto.

Mr. Higgins: You made a profit of three-quarters of a million dollars.

Mr. Mayhew: The net to Canada, including what we pay in customs duties, is $682,000.

Mr. McLure: I understand from what the minister says that you are sending a certain amount to the new plant in Toronto for processing. We know how the processing done in the United States compares with the processing of Martins of London, England; but how does the processing of the Canadian firm compare? In the last sale I noticed that skins processed in the United States brought the highest price. It is not a matter of how cheaply we can get the processing done. It is a question of the finished product, and one thing about which the department must be careful is to see that the finished article is kept up to the standard of those finished in the United States. If the seals are not properly processed and obtain a lower price than the same quality of skins processed in the United States, then it will be a bad thing for the industry in Canada.

As the minister has told the committee, there is enormous profit in the fur seal industry of the Pribylov islands. It is something that should be protected and looked after carefully. Going back to the year 1945, I made inquiries at that time and found that there was a profit of $136,000, and we were spending nearly $300,000. Today there is an enormous profit, and it can be greater still if, through co-operation between the governments of Canada and the United States, we decide to take off a greater number of skins. The minister will correct me if I am wrong, but I understand that for this year they decided to take off about twenty-five per cent more skins than last year. However, that will be verified from the results of what they do at the Pribilof islands.

Mr. Mayhew: Mr. Chairman, generally speaking Canada has received more for skins processed in St. Louis than for those processed in England. For that reason the amount sent to England was considerably less than that sent to the United States. I think we would be pretty severely criticized, however, if we did not give the Toronto firm some skins to prove whether or not they can do the work in Canada. We do not know whether it will be successful because we have not yet had any finished skins from the Toronto plant. Apparently London is satisfied that their curing is equally good, because they have sent some of their own skins from England to be finished in the Toronto plant. I should like to at least give our own people a fair chance in order to ascertain whether they can or cannot do the work.

The prices of the various cured skins have varied from time to time, and in the last sale just a few days ago British cured skins brought a fairly good price.

Mr. McLure: I was not making any complaint about giving a percentage of the skins to the Toronto firm.

Mr. Mayhew: No.

Mr. McLure: What I say is if their processing is not equal to that of the United States, then by all means do not continue it, because our furs have a wonderful name and we might just as well keep it. The highest price realized at the St. Louis and Montreal sales was for a Canadian skin, the product of the Pribilof islands, which had been processed in St. Louis. I should like to know what is paid for processing in St. Louis, what is paid for processing of the same article to Martins of London, and also what is to be paid for processing at Toronto.

Mr. Mayhew: Does the hon. members mind if I give him that information tomorrow? We do not have it broken down in the way he wants it. I may say that the Martins company is a very old firm; also we felt that we did not want to risk putting all our eggs in the one basket, and for that reason our allotment was divided. Canada has a very high reputation for her furs, and we are not going to see her lose that reputation by accepting poorly cured seal skins, no matter where they come from.

Item agreed to.

122. To provide for the destruction of harbour seals, $60,000.

Mr. Higgins: There are no details for this particular item; will the minister explain it?

Mr. MacNaught: The amount of the bounty paid for adult seals, matured seals, in the maritime provinces has been increased to $10. It used to be $5.

Mr. Higgins: Ten dollars per seal?

Mr. MacNaught: Ten dollars per seal; that is right.

Mr. McLure: What was paid by way of bounty in Prince Edward Island last year for seals?

Mr. MacNaught: $750.

Mr. McLure: At $5 per pelt?

Mr. MacNaught: That is right.

Mr. McLure: Now that has been increased to $10?

Mr. MacNaught: Yes, to $10 for mature seals.

Mr. McLure: Will the proposition also be made to those who are going after seals that they separate the carcass and have it sent to the fish meal plant? Some of them are counting on that.

Mr. MacNaught: We require the jaw bone, and that is what the bounty is paid on.

Mr. Black (Cumberland): Would the minister give a comparative figure on the bounties that were paid in the county of Cumberland, Nova Scotia?

Mr. MacNaught: The counties of Cumberland and Colchester, 116 seals, or $580.

Mr. Gibson: Is the same price paid in British Columbia?

Mr. MacNaught: You will note that in my answer I said the price for adult seals applied only to the maritime provinces. In all other areas it is $5.

Mr. Gibson: What is the reason for the difference in price?

Mr. MacNaught: The problem is more serious in the maritime provinces because the biologists have found that the harbour seal acts as the host for the cod worm, and that is a very tough problem in the maritimes.

Mr. Stuart (Charlotte): Does the item of the deep sea fishing bounty come under this vote?

Mr. MacNaught: No; we are on item 122.

Mr. Stuart (Charlotte): Is it not under the same item?

Mr. MacNaught: No; this covers harbour seals.

Mr. Stuart (Charlotte): But there is an "(S)" under the item.

Mr. MacNaught: That designates a statutory amount, and that is the fishing bounty.

Mr. Stuart (Charlotte): Therefore I can discuss it on this item. I want to ask whether the department has ever had any other idea for the disposition of this bounty. This is a bounty paid to fishermen on the Atlantic coast, and it amounts to $7 or $8 per fisherman. In my estimation perhaps 50 per cent of the fishermen who are eligible for the bounty never receive it. Has the department ever considered some other method of disposing of this $60,000?

Mr. Mayhew: Mr. Chairman, we have given consideration to various ways of distributing this money. Consideration was given to whether we could buy insurance for the fishermen which would give them greater benefit. We have not as yet found a better way.

Item agreed to.

123. To provide for administration expenses of Newfoundland fisheries board, $101,300.

Mr. Higgins: Will the minister explain the decrease in the amount of this item? In the particulars given it appears that the largest amount cut off is for temporary assistance.

Mr. Mayhew: There has been no decrease. In fact, there has been an increase in the cost of this work to the government. This item has been transferred from the Newfoundland board to the Department of Fisheries here.

Item agreed to.

124. To provide for maintenance and extension of bait service, $548,400.

Mr. Gibson: I notice there is a substantial increase in this item, and I imagine that once again it is for the maritime provinces exclusively.

Mr. Mayhew: It is practically all for Newfoundland. We are providing for three new bait services, but we do not know whether we will build three.

Mr. Herridge: I have discussed this bait service for the maritimes with the member for Charlotte several times, and he has given me a lot of information about it. I have never understood it clearly. Will the minister explain exactly what service is provided?

Mr. Mayhew: This was a Newfoundland government service which we took over from the Newfoundland government at the

time of confederation. They had bait storage depots and a refrigerator boat that went out to sea and brought in herring. These herring were put into the cold storages and later distributed as bait. The proposal was that the government would break even on it—that is, that they would do it on a cost basis. However, that was not the result before we took it over, and has not been the result since. Invariably there has been some loss in connection with it.

Mr. Gibson: I am curious about this. Out on the Pacific coast, for instance, private concerns catch herring and put them in freezers. It is a regular part of their normal business. I imagine it is quite a profitable part of it. I do not believe it is a very sound principle—it may be necessary and I am not criticizing the minister for having taken over this particular service and continuing it temporarily—for the federal fisheries department to be giving away bait.

Mr. Mayhew: I think the hon. member has to take into consideration the fact that there is a great deal of difference between the way fishing is handled in Newfoundland and the way it is handled in British Columbia. There are no big concerns in Newfoundland who can take a loss on bait. I know of no other way of doing it. We shall study the matter to see if somehow we can reduce the loss.

Item agreed to.

Special—

126. To provide for the extension of educational work in co-operative producing and selling among fishermen, $80,000.

Mr. Higgins: Will the minister explain what this is? There are no details.

Mr. Mayhew: It is a grant to three universities for educational work among the fishermen.

Mr. Bryce: I am renewing a request I made on a previous occasion when these estimates were up to see if some of this educational work in co-operative selling could not be done in Manitoba. The minister was going to consider it a year ago.

Mr. Mayhew: It is a little different in Manitoba. In the inland provinces we do not administer the fisheries. The fathers of confederation were wise enough, I think, to put fisheries under the federal government; but when the natural resources were returned to certain of the provinces, the fisheries as well as other natural resources were transferred; therefore we cannot propose a unified plan for the whole of Canada and administer it without the co-operation of the provinces.

Mr. Bryce: The money is voted for educational work in co-operative principles, and

that is why I was asking the minister if it was not possible to devise some way of doing some work in Manitoba.

Mr. Mayhew: If we do it for Manitoba we will have to do it for practically every university across Canada. I do not know whether or not that would be good.

Mr. Herridge: I am interested in this item. If any particular province is concerned with carrying on educational work in the development of co-operatives, not only for fishermen but fruit growers and others, would the dominion government—I presume the province makes a contribution—extend those services to other provinces that are willing to co-operate in the same way as the provinces in which these votes are spent?

Mr. Wright: I might say that in the province of Saskatchewan we have organized an educational extension department. At the present time it is taking up this matter of organizing the fishermen on the lakes into co-operatives to solve some of the problems they have there, just the same as the fishermen have problems in Nova Scotia, New Brunswick, Newfoundland and the other places. The province is carrying that work on. If the dominion are prepared to assist one province, I would think they would be prepared to assist other provinces that are prepared to go ahead and to do this type of educational work among the fishermen.

Mr. Mayhew: That is the job of the provincial government. They took over the natural resources. They want to administer them and we are allowing them to do so. If there is any way in which we can give them assistance, we shall naturally be prepared to do anything we can. But in doing what they are doing, they are only carrying out their responsibilities.

Mr. McLure: This item is for administration purposes, and I thought perhaps I might bring to the attention of the minister a question that I asked him some time ago about protection for the fishermen of Rustico, in my constituency. At the time I asked the question: What about the bombing range? I should now like to know if this bombing range has been definitely decided on; because a certain number of the fishermen, upon considering the matter, think that it will be detrimental to them if this bombing range is located where the officials were first talking about putting it. I had an answer from the minister, in a way, in which it was stated that they would look into the matter. Then when I put the question to the Minister of National Defence, he said that he had nothing further to add to what the Minister of Fisheries had said.

In justice to the fishermen I think that something definite should be given to them. There is no great necessity for taking this location for a bombing range when they already have a bombing range at Chatham in New Brunswick. If it is going to be outside the fourteen mile limit, that is a different question. But if it is just going to be outside the three mile limit, I am told—and I do not know whether it is correct—that it will destroy the fish in that area and that they will leave. I think the fishermen should have assurance as to whether it is going there, when it is going, or how it is they are to seek protection.

Mr. MacNaught: I can tell the hon. member for Queens that no firm decision has been made on the area for a bombing and gunnery range for Prince Edward Island.

Mr. McLure: No decision has been made?

Mr. MacNaught: No decision has been made. Many negotiations have taken place and many meetings have been held with the fishermen of the area affected. I am sure that a site can be agreed upon which the majority of the fishermen will say is satisfactory. But it is purely in the preliminary stages.

Mr. McLure: The site is agreed upon?

Mr. MacNaught: No; it has not been definitely agreed upon—"tentatively" probably would be a better word to use. But it is just in the preliminary stages. I do not think any more definite information can be given at the present time. It may never be used.

Mr. McLure: As I said a moment ago, it is not definitely needed when they have one a few miles farther away. Why should they subject the fishermen of that area to this hazard when they have one about thirty miles farther away? Thirty miles by air is not a great distance in these times. I would urge the Minister of Fisheries to take the matter up definitely with the Minister of National Defence. It will be up to the Minister of Fisheries to see that the protection needed out there is given. If it was in time of war and they wanted a second range, it would be a different matter. But they already have a range. For the sake of the distance of thirty miles, coming from Summerside, I do not think we should go after our fishermen so hard.

Mr. Mayhew: I have been in consultation with my colleague the Minister of National Defence, and I am quite prepared to assume the responsibility the hon. member has put on my shoulders.

Mr. Herridge: I should like the minister to explain to the committee why the federal government is willing to contribute funds to educational work in co-operative producing and selling among fishermen in the maritimes and is not willing to apply the same policy to other provinces in Canada.

Mr. Mayhew: We do it in the maritimes, and there is a vote for British Columbia. Those are the areas in which we are responsible. It was recommended by the royal commission. At the time the grant was made it was for education among the fishermen, to show them how to fish and to care for their gear, and to educate them in methods of co-operative selling. It has gone a little bit further than that, but we assist only in the areas in which we are responsible.

Item agreed to.

Special—

128. To provide for assistance in the construction of vessels of the dragger and/or long liner type, subject to such terms and conditions as may be approved by the governor in council, $100,000.

Mr. Black (Cumberland): I should like to ask the minister what are the plans with respect to the construction of the vessels for which this vote of $100,000 is being provided. It is supposed to be a wooden vessel. Will tenders be called? I would point out again, as I did the other day, that we have one yard that has been in operation a hundred years or more. It is the shipbuilding yard of Hatfield and Wagstaff. Is is one of the few yards in Nova Scotia that have survived all these years. Wooden ships that sailed the seven seas were built there. I would ask the minister for particulars as to what is proposed, and whether tenders will be called. This is a reliable firm, with as long a record of production as any yard of its kind in Canada.

Mr. Mayhew: I think the hon. member is a little bit confused about this particular item of $100,000. It is for subsidies to groups of fishermen who have boats or draggers built. The provincial government gives them a loan and we give them a grant of $165 per ton. We have nothing to do with construction of boats at all.

Mr. Black (Cumberland): This vote being under the authority of the minister, I presume he will require that tenders be called so that all yards will have an opportunity of tendering and the contract will be placed with the yard that gives the best value and the lowest price.

Mr. Mayhew: We have nothing to do with the letting of contracts for these draggers. This is to assist a group of individuals who have a right to adopt their own methods of procuring their own boats. It is not something over which we have control.

Mr. Higgins: How much was spent on this item last year?

Mr. Mayhew: $49,000.

Mr. Higgins: How long has the practice been in effect?

Mr. Mayhew: Before my time; I think four or five years.

Mr. McLure: I should like a little information as to the proposals that were made some time ago to the fishermen of Rustico and Souris and other points with reference to draggers or trawlers. I think there was some plan to have a couple of trawlers operate off the Prince Edward Island coast. It was advertised in the press that fish meal plants would also be started to take care of the fish that would be caught by the trawlers but in the ordinary way would be destroyed or lost. I understand that the fish meal plant is to be started at a place called Hunter River. According to the press the plant was to get the finest machinery and assistance from the fisheries department. I do not know anything about it except what I saw in an article in the Charlottetown *Patriot* on May 18 with reference to it. The minister was being commended for plans to establish the plant. I should like to know how far the government has gone with this fish meal plant at Hunter River, and probably in Souris as well. Are they satisfied that trawlers can be operated off our coast? Some fishermen tell me that there must be a smooth bottom for trawlers to operate over. To find a smooth bottom on the north side of Prince Edward Island they would have to go at least twelve or fifteen miles off the coast, and the distance would be too great.

As I said a moment ago, I have no information except that it was publicized that the department were to have two or three trawlers and also draggers, and assistance was to be given to the fishermen if they wanted to take advantage of it. I should like an explanation.

Mr. Mayhew: The province of Prince Edward Island can come under this vote just the same as any other province, and can get the draggers and so forth. As to whether it is feasible to use draggers off the Prince Edward Island coast, I think there is ample proof in the fact that the trawlers and draggers from New Brunswick do fish along that coast. Therefore I would think the hon. member's own government would probably want to take under advisement doing the same thing as they do in New Brunswick and in Nova Scotia.

So far as reduction plants are concerned, I indicated certain locations where I thought it looked feasible to establish them. One of those was a place in Prince Edward Island where I thought a reduction plant should be set up to take care of the offal and the surplus fish that turn up along that shore. An individual has taken the hint and is now in the process of trying to establish a plant. He is making his application to the industrial bank for assistance. Just what success he is going to have with it remains to be seen, but it is in the process of development. The same thing has happened along the New Brunswick coast. We are pleased when private industry comes along and does these things, because the government does not want to get into this kind of business. There is a small plant in New Brunswick which has done very well, and I would think that perhaps this individual in Prince Edward Island may be able to do the same.

Mr. McLure: Is the one the minister is speaking of at Hunter River to be carried on by private enterprise?

Mr. Mayhew: It is private enterprise, and application is being made to the industrial bank for assistance.

Mr. McLure: The Department of Fisheries would give them some assistance, would it not?

Mr. Mayhew: We are not standing in their way; we are not encouraging the industrial bank to withhold assistance.

Mr. McLure: The reason I ask the question is that judging by the publicity that has been given to it, the department should pay something for the excellent publicity they have received regarding this plant. If it is purely private enterprise I think the department had better reverse the publicity and give credit to private enterprise.

One thing more in connection with this department; it has to do with protection for the fishermen in certain localities, one of them being Rustico harbour. I have a letter which states that they had very successful lobster fishing, but the great trouble is the shallowness of the water, which makes it difficult to get out of the harbour. They are anxious to know whether the construction of a bridge, or repairing of the bridge that is there, is to be undertaken this season, to give protection. Last year a survey was made with reference to the building of a bridge, but I understood it had nothing to do with the fishermen, except that if it were built it would perhaps change the current of the harbour and be of great assistance to them in that way. Can the minister say anything about that?

Mr. Mayhew: Yes, I have been at Rustico and I have been over that area. Naturally I am not as familiar with it as is the hon. member, but I have drawn it to the attention of the Department of Public Works and they

have investigated it. I think it is a very difficult area to do anything with, because the sand is pretty loose. It is difficult to see how you could put a channel through there that would not fill up again in a matter of a few months. However, the matter has not been lost sight of. It has been brought to the attention of the Department of Public Works.

Mr. Kirk (Digby-Yarmouth): As the minister and his officials know, during the last year I have had innumerable interviews and have written several hundred letters to his department about the use of draggers off the coast of Digby Neck and the islands; in other words, off the coast of Digby county in the province of Nova Scotia. May I right now thank him and the officials of his department for making arrangements to send a senior official from the department down there in the latter part of this month to talk to the fishermen and the members of the fishing firms in order to explain the policy of the department and discuss with them the effect of dragger fishing upon the fishing grounds. There is a great deal of concern in that area as to whether or not these draggers are injuring the grounds. There is also a great deal of concern as to why we should keep our own Canadian draggers or trawlers twelve miles off the coast and then permit the American draggers to come up within three miles. This in effect means that the area between the three-mile limit and the twelve-mile limit is being maintained as a preserve for American draggers.

Will the minister tell the committee how many draggers are licensed in Nova Scotia, and how many trawlers are licensed? How many of those licensed make their home port any port in the counties of Digby or Yarmouth?

In the United States there are three types of vessels in this class. They refer to small draggers, medium draggers, and trawlers, whereas in Canada we classify them as draggers—sometimes they are called small draggers—and beam trawlers. How does the department distinguish between the small draggers and the trawlers in the granting of licences?

In western Nova Scotia up until last year we had not done any fishing for rosefish, sometimes known as redfish. Within the last year, however, they have been dragging for redfish. Where are the grounds, in relation to the three-mile and twelve-mile limits, in which these rosefish are found; and would the minister care to comment on the future prospects for the taking of rosefish in western Nova Scotia? While this is not a new industry, it is new to western Nova Scotia.

Mr. MacNaught: The hon. member has asked about five questions. He asked first how many licensed trawlers are fishing out of Nova Scotia ports. There are eleven. He asked how many licensed small draggers are fishing out of Nova Scotia ports. There are thirty-five. I think he asked how many small draggers are fishing out of ports in Digby and Yarmouth. There are twenty-six. He wanted to know how the department differentiates between draggers and trawlers, with reference more particularly to the definitions in the United States. The distinction between trawlers and draggers is partly one of definition. In the United States there are three classes, small and medium draggers, and trawlers. On the east coast we have two classes, small draggers and trawlers. At present the dividing line between these two classes is sixty tons. Over sixty tons they are trawlers, and under that they are small draggers. Our small draggers are growing in number, and various types and sizes are being developed for the industry. Our classification may have to be adapted further to the needs of the industry. At the present time, however, we classify as a small dragger anything under sixty tons. There are no restrictions as to the number of these, and the licence fee charged is $5. Trawlers are above sixty tons, and the licence fee is $500.

Canadian trawlers are not allowed to fish within twelve miles of the coast. That provision is contained in section 56 of the Fisheries Act. Of course foreign trawlers can come up to the three-mile limit, the range of international waters.

The hon. member also inquired whether any discussions had taken place between our government and that of the United States. The matter of the twelve-mile limit for trawlers was discussed with the Department of External Affairs in the course of the last year. As a result of such discussion it was decided that until we can show we have good reason for our legislation, or that the United States fishing industry would benefit, it would be unlikely that the United States government would give our request the careful consideration we think it merits.

Until the present time it has been difficult to establish a cause for such action, and for several reasons. The first is that it is difficult to show that the twelve-mile limit is based upon any sound conservation policy. That twelve-mile limit is not general in Canada; it does not apply on the Pacific coast, and there is no twelve-mile limit around Newfoundland. Even if the United States were to withdraw her trawlers to the twelve-mile limit, there is no certainty that other governments would be disposed to take similar action.

Rosefish dragging in western Nova Scotia is done mainly by American trawlers. Those fish can be taken only by trawlers or draggers. As I said, under our dragger policy larger boats up to sixty tons are able to fish for rosefish, and such small draggers can fish inside the twelve-mile limit. The Canadian fishing industry has not yet made full use of these rosefish grounds, although the stock seems to be plentiful around western Nova Scotia. I understand the processing of these fish requires expensive scalers, and market outlets have to be built up. This is being done, and we look forward to the industry making much greater use of the rosefish grounds.

Mr. Bryce: When we were discussing the prices support legislation I asked the minister some questions. As we were hurrying to finish the work the minister said he would supply the information when his estimates were before the committee. Can he do that now?

Mr. Mayhew: Would the hon. member be content if we sent him all the material in written form?

Mr. Bryce: That would be satisfactory.

Item agreed to.

Special—

129. To provide for assistance in the construction of bait freezing and storage facilities, subject to the approval of the governor in council, $100,000.

Mr. McLure: Is the bait-freezing plant at Charlottetown assisted by the Department of Fisheries here? Last season they put in a large quantity of fish—indeed, so much that they were not able to sell it. A good deal of it was sent over to Nova Scotia and given away, and the rest of it was taken to the dump. Was that because of a surplus of bait, or because the plant did not keep the bait in a satisfactory condition?

Mr. Mayhew: There was a surplus. That is one of the risks in operating a bait-freezing plant. The federal government did assist in connection with the bait storage plant at Charlottetown. We have already contributed $25,000, and there is a further extension for the holding depot at Tignish amounting to $5,000, making a total of $30,000.

Mr. Higgins: What plans are ahead for new construction in the way of cold storage?

Mr. Mayhew: Three plants have been arranged for in the estimates, and the site has been chosen for one.

Item agreed to.

[Mr. MacNaught.]

680. Departmental administration—further amount required, $17,495.

Mr. Cruickshank: I represent the greatest fishing country in Canada. One of my colleagues has just handed me an advertisement of the virgin mermaid lure, which is described as follows:

In your tackle she's a doll—in the water she's a "wow." Colours, blonde, brunette, redhead.

As I say, I come from the Fraser valley where the principal salmon fishing industry is concentrated. In British Columbia 55 per cent of the total commercial fishing of Canada is carried on. We produce more than the other seven provinces combined. I shall be brief now, because I intend to speak later on the estimates of the Minister of Finance.

Some years ago the Sloan commission was set up at a cost of many thousands of dollars, but it brought down a very fair report. Among other things it outlined the boundaries of area No. 17, in which I am particularly interested. We shall be perfectly satisfied if that district stands. During the war the boundaries were extended as an emergency measure, but at the present time we strongly object to the extension of the boundaries. The Sloan report was brought in after many months of investigation, with the assistance of experts of the Department of Fisheries, although in referring to them I am sometimes inclined to say "so-called experts".

Mr. Mayhew: The department is not making any ruling this year in connection with area No. 17. If the Canadian boats catch their share of fish in other places, there will be no thought of touching the Sloan line. If they do not, then we shall have to take the matter under advisement.

The problem in that area is twofold. We have to provide for conservation, and we have to see that the Canadian fishermen get their share of the salmon going up the Fraser river. Attention must be paid to the quality of the fish. I think the Sloan line was set up ten years ago, but the situation has changed considerably since then. When that line was set up it was not thought possible that fishing could be done in the straits of Juan de Fuca. But considerable fishing has been done there. This year the weather may be so rough and conditions may be such that no fishing will be done, while the United States fishermen will be able to make their catches along their coast. If the Canadian fishermen get a small catch in a good year of sockeyes, the matter will have to be considered.

We think that this matter should be considered with the best interests of the fishermen in mind. If the line were set up as a

permanent fixture it could not be changed without strenuous objections, and we might have to set up another commission. We intend to deal with it as fairly as possible, considering all the circumstances and conditions.

Mr. Cruickshank: In the province of British Columbia we have what are known as the big five, the packers and the canners, but there are also many thousands of fishermen, whether they be within the union or whether they belong to co-operatives. I hope that before any change in the boundary is made, those fishermen or their representatives will be called in, not merely the representatives of the canners and packers.

Mr. Mayhew: Recently I spent most of a day in Vancouver with two sections of the gill netters on the Fraser river, and I told them very much the same as I have just told the hon. member. They went away quite happy. I have also discussed the matter with the industry. Before we do anything they will know what the situation is and it will be discussed with them.

Item agreed to.

681. Fisheries inspection, including fishery officers and guardians, fisheries patrol and protection services—further amount required, $317,650.

Mr. McLure: Has there been any change in the law with regard to poaching? A good deal of poaching goes on in our province during the lobster season. In certain parts of the island the fishermen live up to the regulations, but in other parts poaching is carried on throughout the whole year, even before the season opens. In those localities no regard is had for the regulations. Last year the poaching was greater than ever, largely because it was an election year and they knew there would not be any fines imposed.

Mr. Cruickshank: That is a bunch of hooey.

Mr. McLure: Just a moment, or I might tell you something that you don't want to hear.

An hon. Member: Out of order.

Mr. McLure: Just a moment. What I want to get at is that this season that excuse is not before the people, and they should be protected. Those who are observing the regulations should be protected against those who are breaking them and helping to deplete our lobster resources. I bring the matter up because the parliamentary assistant to the minister knows full well that poaching is helping to ruin the lobster industry in Prince Edward Island. If the matter is to be left to the provincial authorities and police to take care of, then they should be given their instructions early so that poaching can be stopped, especially in the lobster business.

Mr. Kickham: In fairness to other hon. members, may I say that the hon. member for Queens has implied that poaching was permitted last year. In the riding of Kings, Prince Edward Island, in the week prior to the election, a number of fishermen were brought into the courts and fined for poaching. I think in all fairness the hon. member for Queens should retract his statement.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

Department and missions abroad—

64. Departmental administration, $2,378,880.

Mr. Graydon: During the last few weeks I have been directing inquiries to the Minister of Fisheries, who some time ago was at the Sydney conference. I do not mind saying that if it were not for the close and intimate association I have in a personal way with the Minister of Fisheries, and the high regard in which I hold him, I would be saying something much more critical and severe than I intend to say at this time. I think we should have had a statement about the Sydney conference just as soon as the conference was over. I am sorry to have to raise this question at such a late stage of the session, but the Minister of Fisheries indicated the other day that he would make a statement about that conference when the estimates of the Department of External Affairs were under consideration. I suppose he will rush in to make that statement at the first available opportunity.

The parliamentary assistant to the Minister of Finance was on a mission to Europe during the interval between the first and second sessions of this parliament. He has a report to make, and perhaps it may not be necessary for him to do more than to answer three questions I should like to pose to him. That may suffice for the statement that normally might be made about such an important mission.

First of all, country by country in Europe, what was the outstanding debt owing to Canada with respect to the matters with which he was concerned? Second, what was the amount of the settlement finally arrived at as to each of the debts? Third, what was the percentage ratio of each settlement to the original debt. If he answers those questions it may not be necessary for him to make a speech, even though, as usual, we should be delighted to hear him.

When the international situation was acute some years ago, before and during the second world war, it became the habitual practice of the then prime minister, who was also secretary of state for external affairs, to make a statement each day in the house while the situation remained critical. I think we should have a day by day account of what the government has heard and what its knowledge may be, so far as it can be communicated to the house, with regard to one of the most dangerous situations that has arisen in the international field in some time. Before the Secretary of State for External Affairs deals with his estimates I hope he will bring us up to date with respect to the situation in Korea, and submit himself to examination with respect to certain points on which hon. members may feel it advisable or necessary to question him at this time. I make that suggestion because of the keen interest in the matter among members of parliament and throughout the country generally. We are nearing the end of the session, and I fancy that every member will want to be brought up to the very last minute so far as information is concerned relating to a matter that affects the home, fireside and security of everyone in Canada.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Chairman, so far as the first two points are concerned which were mentioned by the hon. member for Peel, the parliamentary assistant to the Minister of Finance will be glad to speak on the question of military relief credit. The Minister of Fisheries has already announced that when the estimates of the Department of External Affairs are under consideration he will make a statement about the Sydney conference. Those estimates are now before us, and the Minister of Fisheries is willing to make his statement now.

As to the third question, I shall be glad to make a short statement bringing the committee up to date, so far as I can, on current developments, and to submit myself to any questions which may be asked.

Hon. R. W. Mayhew (Minister of Fisheries): Mr. Chairman, the sudden elevation from fisheries to external affairs hardly becomes me; nevertheless it is a pleasure for me to take this opportunity to make a brief report on the Sydney conference.

I should like to take this opportunity to report on the recent meeting of the commonwealth consultative committee on south and southeast Asia which was held last month in Sydney, Australia. I am convinced that it was one of the most significant meetings in the history of the commonwealth.

The British commonwealth of nations has, in the past, given proof that it is a vital and effective force in world affairs. Recently, with the free entry of new independent nations, the term "commonwealth" has taken on a wider meaning. The orbit of our family of nations has been enlarged, and its duties and responsibilities have been increased. At Sydney the commonwealth accepted these new duties and responsibilities, and reaffirmed its faith in co-operative action.

At this meeting we witnessed a convincing and heartening demonstration that "commonwealth" is no mere name, but a term that implies unity of purpose for the good of all. And, more than that, it was clearly shown that the commonwealth is not an exclusive club, conferring benefits only on those fortunate enough to belong to it. The program of assistance formulated at Sydney recognizes the needs and aspirations of all countries in south and southeast Asia.

There were two very good reasons why Canada was represented at the conference in Sydney. First, Canada is a senior member of the commonwealth and is anxious to assume its full share of the responsibilities of membership. Second, as five members of the commonwealth are in this area—and as Canada is a Pacific power as well as an Atlantic power—we must look both west and east.

Before giving some of the highlights of the Sydney meeting, I would like to express my thanks, and those of the other members of the Canadian delegation, to the Australian government and people for the really overwhelming hospitality accorded to us while in their country. It would be impossible for me to describe adequately the warmth of the welcome we received and the wonderful way we were treated while "down under". The Australians are an energetic and forthright people, and this is evident even in their hospitality.

I did not have as much opportunity of visiting in Australia as I should have liked. Most of my time was spent in the wonderful and beautiful city of Sydney, and I had very little time to visit the rest of the country. I did have a trip from Sydney to Canberra, a distance of about 200 miles, and I saw enough to realize that we have something in common with Australia. We both have large countries with small populations, and we are both doing our best to fill up empty places and to make the most of our resources. Anything that Canada can do to co-operate with Australia and New Zealand I believe we should do.

At this point too I should like to say how much I appreciated the opportunity of visiting New Zealand, which I did during the week following the commonwealth conference. I

received a truly royal welcome from the government, and while their guest I was able to see a good deal of the country. I left New Zealand with lasting memories of a rich and beautiful land and a people as intelligent and progressive as they are warm-hearted.

Here again I think there is an opportunity for Canada to become more closely related in a business way with these two as well as the other three commonwealth nations in that part of the world.

Members will recall that at the conference of the commonwealth foreign ministers at Colombo last January, Mr. Spender of Australia and Mr. Jayawardene of Ceylon put forward a plan of assistance to the countries of south and southeast Asia.

Both of these statesmen are to be congratulated on recognizing the importance and the seriousness of this problem. I think we should feel particularly grateful to Mr. Spender. At Colombo, and in the period between that meeting and the recent one in Sydney, he devoted all his energies towards the drafting of a program that would enlist the interest and support of commonwealth and other countries. He was the chairman of our meeting in Sydney, and throughout these negotiations he provided vigorous and effective leadership.

Before proceeding I think it would be well if I defined the area that is described by the term "south and southeast Asia". The countries of south Asia are of course Pakistan, India and Ceylon—and they are all members of the commonwealth. The chief countries in southeast Asia are Indo-China, Thailand Burma, Malaya and Indonesia. One could mention some of the other countries, particularly those of the Indonesian Archipelago, but I have not chosen to spell them out in this statement.

Most of these nations have recently achieved independence. Together they form one quarter of the world's population. They are struggling with great problems. They are in the process of establishing their own administrative systems. They are attempting to repair the damage done by war, civil disturbance, and economic dislocation. By various and determined efforts they are struggling hard to raise the living standards of their people.

This fight is going on at a critical period, when the winds of political conflict throughout the world are high and gusty. If they can surmount their many difficulties they will have laid the foundation for new nations which will contribute greatly to the richness and strength of a free world. But at the present time they are extremely vulnerable to dangerous forces, from within and without. If these forces prevail, these countries will quickly be robbed of the freedom which they have so recently won.

I say that the problems of this part of Asia are of vital concern to all Canadians. Our world of today is a very small world. If I may use a humble metaphor, it is like a haystack. It does not matter on which side the fire is started; if the wind is favourable, all will be destroyed.

During the meetings in Sydney there were reports in the press of differences which separated the Australian from other delegations. Those reports were much exaggerated. Of course there were differences of outlook and approach. There always are in any conference. But such disagreements as did emerge were recognized as springing from honest differences of opinion; and, by the time the conference had concluded, they had all been composed into one set of many resolutions which all delegates could agree to recommend to their governments.

The recommendations of the conference are now being considered by the government here and by the other governments which were represented at the conference in Sydney.

The final set of resolutions of the conference included the following recommendations:

(a) It was recommended that a report should be prepared setting out the need for development, the development programs of the countries in the area which might be expected to be completed over a period of six years ending the 30th June, 1957, and the need for external assistance in order to carry out these programs.

(b) It was also recommended that a commonwealth program of technical assistance should be established immediately to supplement the United Nations program.

It was agreed that all the countries in the area, commonwealth and non-commonwealth countries alike, should be invited, as a matter of urgency, to prepare during the next two or three months a plan of economic development. These various plans, prepared by individual countries, would then be considered and consolidated at the next meeting of the consultative committee which is to take place in London in September.

I perhaps need to point out why this program represents a distinct advance. There have been many plans produced by individual countries. What has not yet been produced is a single plan of co-ordinated development. This consolidated plan will define the needs of the area and also define a program of economic development designed to meet them.

The needs of the area, in spite of its great natural resources, are enormous and pressing. They must, however, be activated and made articulate. And there must be a clear program of economic development if these countries are to have any hope of bettering their standards of living and of attracting assistance from outside the area to that end.

When such a plan has been prepared and carefully examined it will be possible to determine what external assistance will be required. Indeed, it is already being provided, at least in part, by the United States, the United Kingdom, and through a number of international agencies, notably the international bank. More help will probably be necessary. But before determining its scale or the form it should take, a clearer picture must be drawn of the needs of the countries in the area and what they, themselves, can do to meet them.

For there can be no question that the chief responsibility for fostering economic development must continue to rest within the countries concerned. Economic development is essentially a matter of growth and the creation of a favourable environment; and this is primarily of domestic concern. A favourable environment depends on many things—a suitable fiscal policy; conservation of resources for the most important uses, and an intelligent timing of the projects to be undertaken. The initiative in creating all of these must come from within.

When all possible steps have been taken within the countries concerned, however, it is virtually certain that external assistance will still be required. It will then be for countries outside the area to decide whether or not they can assist.

I made it clear several times during the conference that Canada's ability to be of help would be severely restricted by its other international commitments. I explained that we had undertaken heavy responsibilities in the north Atlantic area, and that these responsibilities must be a first charge on whatever resources we might be able to devote to assistance abroad. On the other hand, I added that the existence of these prior commitments did not mean that we intended to overlook our responsibilities in other quarters of the globe. The statement of needs and resources which is being prepared will provide a basis for decision by the Canadian and other governments.

In one field, however, it was agreed that further action need not wait on the completion of the plan which I have mentioned. It was decided to inaugurate, without delay, a commonwealth technical assistance scheme for the area to organize technical assistance on a bilateral basis between governments. The aggregate of assistance involved would be £8,000,000 sterling over a period of three years.

Mr. Green: Three years?

Mr. Mayhew: Yes. Hon. members will have noticed in the estimates that the Canadian government has now decided to make available to countries of south and southeast Asia technical assistance of the value of $400,000 for the first year of this three-year period.

Mr. Green: Is that for commonwealth countries?

Mr. Mayhew: Commonwealth countries.

Mr. Green: Commonwealth countries exclusively?

Mr. Mayhew: The use will not be confined to commonwealth countries, as the hon member will see as I proceed.

Technical assistance extended in this way would be supplementary to that provided through the United Nations. The estimates will also have revealed that the Canadian contribution to the United Nations expanded program on technical assistance should be $850,000 for the first eighteen months of its operation.

It seems to me that one of the most useful things we can do to assist in the economic development of countries in south and southeast Asia is to supply them with technical assistance. I would like to see a much larger number of Canadian experts and technicians travelling to that part of the world to put their skills at the disposal of peoples who are not so far along the path of economic development as we are. I would also like to see a much larger flow of students from India, Ceylon, Pakistan, Malaya and other countries coming to Canada to study in our universities and agricultural colleges, and also to be trained in some of our great industrial undertakings.

Money will be needed in order to stimulate this flow in both directions. But, in addition to money, we will need a great deal of patient effort in making arrangements here in Canada to expand the available vacancies for students from abroad and in removing the obstacles which now hinder the flow of experts to other countries. In this task we shall have to rely very heavily on co-operation from Canadian educational institutions and from those who control our industries. I feel sure, however, that such co-operation will be forthcoming.

The end result will be a freer flow of knowledge, goods and services in both directions.

Above all, what will be needed in this enterprise is a sense of mission. Those of our

young men whom we send to help in the development of these underdeveloped countries must have real sympathy with the aspirations of the people among whom they work. They must also have a high sense of the importance of what they are doing to spread to other peoples of the world the abundance which we enjoy.

May I say here that on more than one occasion I emphasized the necessity of using great care in selecting those people that we send from this country into some other country to assist their peoples. We need the experts, certainly. We need men of great skill and great knowledge. But above all we need men who are truly representative of Canada. If we send men who are truly representative Canadians, men who have some idea of pioneering and pioneering methods, their services will be accepted; and they will do the maximum good for those countries and the maximum good for our country. I would emphasize here again the necessity of our being careful in selecting the Canadians who go to these countries.

I believe that this technical assistance program can be very effective. But it could fail, if we do not find the right men for the job. The bureau that is to be set up must use the greatest care and caution in the selection of personnel. The success of the program will depend almost entirely on the men who are charged with the heavy responsibility of putting it into effect.

This account of only two of the main recommendations of the conference at Sydney has, I hope, given at least some indication of what was planned and accomplished. At the conference in Ceylon the idea was conceived of commonwealth co-operation to assist the countries of south and southeast Asia. At the conference in Sydney a start was made in giving that idea form and shape and in equipping it with some of the machinery. At the next meeting of the consultative committee, which is to be held in London in September, we hope that the machinery will be put in motion. It is impossible overnight to raise the standard of living of these peoples. Time and patience will be needed, as well as thought and energy and money. But I believe the countries which were represented at the conference in Sydney have given proof that they realize the urgency of the problem and are doing their utmost to help in solving it.

Canadians will want to share and assume their full responsibility in the implementation of this program. But this is not all we can and should do to help these people. We can help in another way.

We in Canada have been very successful in selling our primary products to overseas markets. We have also achieved considerable success, particularly in recent years, in the production of manufactured articles for sale abroad. But we have done very little in the field of foreign investment. I think it is time that our Canadian businessmen gave some thought to the possibility of setting up agencies in other countries, and particularly in this part of Asia, where they could produce and package goods that would sell in Canada and in other dollar countries.

I am not in favour of that type of investment where money alone is sent to a foreign country. I would advocate the investment of equipment, brains and technical know-how, along with a sufficient amount of money to put these to work to the best advantage. I can see a very profitable field for this kind of investment—profitable not only to ourselves, but also to those countries where development is needed. This is one very practical and very realistic way of helping those countries to achieve a standard of living comparable to our own. And it can be done side by side with the commonwealth and other programs of technical and economic assistance.

I have in mind the production and packaging of such goods as jute, rubber, fabrics, tea, coffee, spices, fruits. And there are many others. These are things that Canada needs and will buy more of if they are prepared and sold to Canadians in the right way. For too long we have depended on others to act as middlemen and supply us with products from foreign countries, at greater cost to ourselves. I would urge that we go directly to the source, develop the product, and do the business ourselves.

By thus encouraging a new flow of goods from these countries to North America we would be helping to solve the difficult exchange problem between the dollar and sterling areas. Opening up new markets here for these countries will make it possible for them to purchase more from us in return.

Discussions I had with several people during my recent trip convinced me that the countries in this area would welcome Canadian investment of this kind. I know that they would do everything in their power to create the proper environment. But primarily the responsibility rests with private business. If they show initiative, courage and imagination, they can do a good job for themselves, for Canada, and for our potential friends in that part of the world.

If I might summarize in a simple way, the battle upon which we are now engaged in south and southeast Asia is a battle of the

plowshares and not of the sword. The aims and spirit behind it are those that the people of this area will understand and appreciate. Though in real war too, they are great and valiant soldiers, they are at heart, like ourselves, peace-loving people. What they want, and what we want to help them achieve, is a better and richer life and their rightful place in the family of peace-loving nations.

I know there will be those who will claim that what I have said here is too little and too late. Those who would wish to destroy the scheme would say that, but I point out that it is never too late to make a new beginning. What these people are trying to do is to make a new beginning. They want to feel that they are doing it themselves, but they are not too proud to accept help, because they know that they will be giving help in return.

I want to add this—and it is something I had to explain two or three times on my trip. Canada always seems to be facing toward Europe. That has been true in the past. It is true because the two racial strains from which we spring came from Europe. It is true because we fought two wars in Europe, and our attention must be directed that way. But it is now time for Canada to look both ways and devote more attention to affairs in the east as well as in Europe.

Mr. Graydon: The minister did not mention the appropriation which was made by the government for technical assistance to underdeveloped countries. I was wondering whether that was the result of the consultative committee's discussions. What will the machinery consist of to co-ordinate all these programs for technical assistance to the underdeveloped nations of south and southeast Asia? We have now President Truman's point four program, which is a large one. Then we have the United Nations program under the economic and social council, and the consultative committee's program with respect to the commonwealth. How is it proposed to fit these in and dovetail them so that there shall be no overlapping and the money and the technical assistance will be put to the very best use, and as rapidly as possible?

Mr. Mayhew: I am only the Minister of Fisheries. I think the Secretary of State for External Affairs should answer that question.

Mr. Pearson: I am sure the Minister of Fisheries would answer it better. The question is an important one and I think can best be answered in this way. The hon. member for Peel mentioned three separate forms of international technical assistance. One is the United States form of technical assistance which they are working out by bilateral arrangements with other countries, mostly in Latin America. The other is popularly known as President Truman's point four program, which has now been taken over by the United Nations, and the arrangements for which are being considered by the economic and social council of the United Nations which meets in Geneva next week. We have participated in the preliminary meetings of the committee which had been discussing this matter, and we shall participate in the discussion at Geneva next week. Under the United Nations scheme for technical assistance, which my hon. friend mentioned a short time ago, we are asking parliament to contribute the sum of $850,000 in the supplementary estimates that are before us. That scheme, if it is not handled in the right way, may overlap with the program of the commonwealth technical assistance arrangements which have been described this morning, and to which we are asking parliament to contribute this year $400,000. When the consultative commonwealth committee meets in London in September next we will try to make sure that the contributions that were made to that scheme are dovetailed into and do not overlap anything that the United Nations may do. In other words, it now remains for consideration that everything possible should be done to prevent these two schemes from overlapping. That can be done in the consultations we are having in London in September, and it can also be done in the consultations which are opening in Geneva next week; but there is a very real danger unless provision is made to see that it does not happen.

Mr. Green: Is there not another danger as well? It is my understanding that this vote of $850,000 for the United Nations expanded program for technical assistance to underdeveloped countries will be available to countries which are satellites of Russia just as much as it will be available to any other countries. I believe that is so; yet Canada is contributing nearly twice as much to that fund as she is contributing to the commonwealth consultative committee. I do not understand why we should be contributing more to the fund from which these satellite countries can draw.

Mr. Pearson: The relationship of the United Nations fund to the assistance requirements of communist satellite countries has been in our minds. That is a matter we discussed in the committee on external affairs. I can assure the hon. member that other governments are just as anxious as we shall be to make sure that this particular United Nations scheme is not used for the benefit

of countries which will not participate in the United Nations and accept the obligations of participation in this scheme.

Mr. Green: How can that be prevented?

Mr. Pearson: It can be prevented by arrangements which will be worked out in Geneva next week at the meeting of the economic and social council. We will do our best to see to it that those arrangements are satisfactory. The reason we are contributing more to the United Nations scheme is that it is being conducted in a much bigger way and covers a much larger area than the commonwealth scheme.

Mr. Bruneau: Mr. Chairman, our Secretary of State for External Affairs should be congratulated upon the clear and brilliant exposé of the situation in the world today, and the bearing of these fast moving events upon Canada, that he delivered in this house some time ago. The study just given to us on the situation in Asia by the Minister of Fisheries no less commends itself to our admiration.

I am grateful also for this trip we have been able to enjoy around the world. However, a study of the world situation today looks more like a military tour of inspection because, when one goes through the countries, east and west of North and South America, the events one meets are more those of a world at war than of a world at peace.

But no matter how gloomy the situation may be, it is comforting to know that our country is represented at the United Nations council by men like our Secretary of State for External Affairs, General McNaughton and, not so long ago, our Minister of National Health and Welfare.

Our relations with our good neighbour to the south are those of bonne entente, good will and mutual understanding. We, I believe, with the United States, set today an example to the world. We, the borderline countries with an imaginary frontier, work hand in hand to our mutual benefit, the pursuit of happiness and the attainment of peace.

With our other neighbour, more to the south, our relations are no less peaceful and our treaties are those of a nation at peace. And from this land of America we have inherited the Marshall plan which has had the happy effect of stabilizing a precarious economic situation. The Atlantic charter, in which our present Prime Minister was particularly interested, has certainly kept at bay the enemy from the land of the czars, besides placing in the limelight the doctrines of true value, the four liberties of: freedom of speech; freedom from fear; freedom from want and freedom of worship.

But, not very far from our side of the globe, it seems that governments have refused to let their people hear of the advantages of freedom of liberty. Only a few years ago we got rid of Prussian imperialism, and now we already have to cope with Russian imperialism.

When we stop in the Balkans, for instance, we open a chapter which reads like our story books. There were once brave little countries of eastern Europe where life was peaceful. They asked for no other privilege than that which is not refused to free men and which is recognized by the natural code of the rights of men and fundamental liberties: that of working, living and carving for themselves a future under a free government of the people, by the people.

These small democratic countries of the Balkans wanted only to forget, as soon as possible, the awful experience of a second world war and heal the scars of ruin, death and desolation left by this last conflict. They demanded, in fact, a very legitimate right, that of living in harmony, peace and everyday work.

But, another powerful country had much different ideas. The Russian bear, stunned by the clash of victory, and eager to implement its scheme of world domination, undertook the underhand, systematic and ruthless conquest of its neighbour.

And one day those free countries found out that they no longer possessed their right to govern themselves. The conqueror was already there. One by one the citadels have crumbled. The new occupant had already given the people of those countries a taste of its fifth column; and espionage is now a byword. Suspicion and vicious accusations are already in high fashion and there are always quislings and opportunists ready to serve for a price and give the death blow.

Under the pretence of democratic liberty, the soviets have overthrown governments, and those who have dared to oppose themselves to the New Order were given a one-way ticket to Siberia.

One by one, countries have been caught in the net of bolshevism: Yugoslavia, Hungary with its mock trial of Cardinal Mindszenty, Bulgaria, Roumania and more recently Czechoslovakia with its so-called suicide of Jan Masaryk, followed shortly after by the decease of Edouard Benes. They were promised the New Order and have inherited the five-year plan; they were promised social liberty and are now the slaves of the fourteen mighty of Moscow. They have now to get in step to the tune of the Russian knout. And a stone's throw from there, Greece is still struggling under guerrilla warfare.

More to the southeast, where the Russians have pulled down another heavy iron curtain, we arrive at the great wall of China. In this country where it seems that everything is eternal, where time is important only through the succession of centuries, war has been going on now for over fifteen years and there are no signs yet of a coming total lasting peace.

With the invasion of Manchuria by the Japanese, it was the beginning of a long and costly war which lasted during the six years of our last world conflict. The humiliating subjugation of Manchuria was prolonged by the occupation of that northern province by the Russian forces. The aggressor has been substituted by another one and Chiang Kai-shek had to leave the country in the hands of a communist government.

This vast country the human capital of which could constitute a tremendous factor of progress, development and achievement, is still paralysed by the effects of a useless war which has destroyed its domestic economic basis. This oriental country which has now been fighting for a long time for its national independence, and its commercial enfranchisement, certainly deserves peace, or at least a truce long enough to enable her to place her production on a sound footing and take her place among the great nations of the world. This peace towards which China aspires and which she certainly deserves after so many years of heroic struggle, in order to ascertain her survival and give her people a normal life which a whole generation of her children have not yet known, is still a thing to come.

Fortunately for that country and the others under the Russian heel, they have hopes for a brighter future, and to keep that spark alive they have but to look toward the still free countries of the world today. There is a government in Lake Success which is now doing its utmost to find a true solution, the proper formula to right this great wrong.

Even though we might hear from different corners of the globe of events that are not so promising, there is still great hope when we think that governments of the people, governments like our own, have at the United Nations council delegates who endeavour and do their utmost to see that right prevails and it is the duty of every one of us here to see that the work of those who at that world government speak in our name is not done in vain. We have the grave responsibility, because of the people we in turn represent in this house, to study closely reports like the one given now and then by our Secretary of State for External Affairs in order to realize that there are somewhere in the world today people like us who would like to have a government of their own.

Let us keep high the torch of liberty so that it may shine very bright and keep the hope of those who can no longer hold it. To that end also and with the recent developments in South Korea let us never forget that eternal vigilance is the price of liberty.

Mr. Low: Mr. Chairman, when the minister made his statement on Korea yesterday I felt that I should join the other party representatives in a brief comment, but the debate was clearly out of order and for that reason I reserved what I wanted to say for this occasion. I think all of us must feel that the present world situation is fraught with grave dangers. At the same time it is perfectly clear that the North Korea aggressive act constitutes a threat to world peace and security. The prompt and salutary action by both the United Nations and the United States to meet this breach of international law has committed them both irrevocably. That means, of course, that there can be no turning back by either one without consequences that can be described by no other term than disastrous.

It seems to me that Canada must now fully realize her true position. Canada is a member of the United Nations. We have pledged ourselves to uphold the charter in every respect. By becoming a member of the United Nations we undertook most solemn obligations. We pledged ourselves along with other member nations to take whatever collective action was considered necessary to meet any threat to the peace and security of the world or to any part. For that reason Canada is committed just as irrevocably as is the United States. I take it too that there is for us also no turning back.

I would remind the committee that when the United Nations charter was before parliament in 1945 for ratification I heard no criticism of it, I heard no opposition to it, I heard no warnings about it from any section of the house except my own. At that time I objected strenuously to certain features of the charter, but I heard from maritime members, from Quebec members, from Ontario representatives, in fact from the representatives of all the other provinces nothing but the most enthusiastic support, not only for the charter but for Canada's full participation in the United Nations and in all its agencies.

I say that only to remind the committee that when Canada did decide to become a member nation there was no evidence of

fear or of hesitancy or of criticism except from my own group. The vast majority of the members of the house in 1945 did favour Canada's membership in the United Nations. At that time I heard no member suggest that we renege on the responsibilities that go along with membership should trouble arise demanding collective action by the United Nations countries, nor did I hear a single reservation voiced by any member of the house outside of those in my own group, and perhaps the former member for Broadview, Mr. Church.

The United Nations is a reality and it has called for swift, collective action to halt events that may develop into very serious proportions. Already the United States has moved in in response to that call. She is one of the very few countries in position to set forces in quick motion to assist the government of the Republic of South Korea. But I remind hon. members of this committee that the United States is not the only country that is morally and legally bound to take action whenever action is required to restore South Korea to her democratic government. Canada, along with the other nations, is morally and legally bound. We have to realize that. Let us not forget that Canada has never defaulted on her obligations. Her word down through the decades has been her bond, and it must always remain so. If we have been careless in giving our word, let us nevertheless fulfil any obligation arising out of our pledge, however distasteful it may appear to be to some of our people. As soon as ever we can see clearly how we can best help to restore peace and security I think that our unmistakable duty is to stand shoulder to shoulder with every member nation of the United Nations and do what we can.

There is a time of testing before us, perhaps the most difficult time of testing that the United Nations has ever faced. If the forces of North Korea effect a complete conquest of the Republic of South Korea the prestige of the United Nations and the United States will suffer irreparable harm. So I say we must not by anything that we leave undone contribute to that disaster. It would have consequences that none of us can now see.

The party that I represent and for whom I am now speaking will back the minister and the government in anything that they undertake to do to discharge Canada's responsibilities to the full in an effort to contain the trouble within Korea and to restore that republic to its former territory.

Just a word about the estimates. I have been a member of the external affairs committee and have enjoyed the experience very much. I have read the report which was presented to parliament a day or two ago. I find myself in concurrence with that report. I believe that this year the estimates of the Department of External Affairs have received the most careful consideration of any year since I have been in the House of Commons. I believe that we dug more deeply into all the estimates. We did gather together a tremendous amount of information as a result of our investigations.

I want to thank the officials of the Department of External Affairs who appeared before the committee to give us valuable help. There was nothing that we asked for that they did not attempt to give us in the fullest possible measure. The minister also appeared before the committee and gave valuable assistance. Without reservation I submit that the method of studying estimates before a committee such as the committee on external affairs is a method that should be extended to other departments. I think that suggestion ought to be given careful consideration by the government. My experience has been that in that committee we have been able to dig far deeper than we have in committee of supply because we have been able to have before us informed public officials to give evidence and to answer questions. Surely the experience we have had with this department ought to be one of the best arguments for extending the practice to some others. Then we would not have this last minute rush every year, this sweeping, almost like the North Korean forces, through the estimates of various departments. Under such circumstances we certainly can neither get the full benefit of our study nor give the full benefit to the government.

There is one suggestion I should like to make. On some occasion when the minister finds it convenient, I wish he would give me a much fuller answer to the question I asked him some time ago when he introduced his estimates. I asked at that time if he would give us clearly and in detail exactly what it is he wants to drive towards, what it is he wants the people of Canada to do, about this whole matter of sovereignty. I was not satisfied with his answer, and I do not think he expected that I would consider it a full answer. I should like him to tell us in detail at some time exactly what he means when he says that Canada, in common with other nations, must be prepared to surrender her sovereignty. With that I shall rest.

Mr. Graydon: There are two matters that I asked the minister and the parliamentary assistant to the Minister of Finance to deal with. In order that we may continue the sequence of the discussion, perhaps we might

now have the answers to the questions I asked the parliamentary assistant, and then a statement by the minister on the Korean situation.

Mr. Sinclair: Mr. Chairman, it is a very unusual thing for me to be requested by the opposition to speak.

Mr. Low: We like to hear you.

Mr. Sinclair: Earlier this session, in both the external affairs committee and the public accounts committee, the request was made that I should appear as a witness to give an account of the settlements reached this spring on what are known as the military relief claims between Canada and European countries. It was not possible to do so at that time because all the agreements which had been negotiated had not been formally signed. Opposition members were good enough to allow a delay until this time. Yesterday the Secretary of State for External Affairs tabled the last of the agreements which have been signed.

I had prepared a pretty long account of the matter for the committee, but, thanks to the courtesy of the hon. member for Peel, he has asked that I summarize it and deal merely with the actual payments made by these countries and the reasons for the deductions. I cannot do so, however, without a short preface to show why we did not receive payment in full for each of these accounts. These military relief claims arose out of the necessity toward the end of the war of trying to re-establish immediately liberated and conquered countries. It is quite true that there was a plan under UNRRA to do that after the war, but we could not wait until then. Therefore the United Kingdom, the United States and Canada got together and agreed that they would pour in supplies to the civilian populations to help them back on their feet as quickly as possible.

It was a very difficult thing to do. There was great urgency, because the war was still raging. We had to use military transports to get the supplies to the various countries, and you will appreciate that making deliveries of supplies through the army during the course of a war is not like making deliveries of goods through civilian channels in peacetime. There is not the same certainty of delivery. More than that, in many of these countries there was no real government. There were provisional governments and governments in exile. In two countries there were governments which had secured power through leading the fight in the underground during the war. Therefore it was not possible to carry out the usual formal arrangements which would be normally made by countries negotiating such supplies.

[Mr. Graydon.]

The understanding of the United States, Great Britain and Canada was that these countries who received the goods would at some time in the future, when and if they were able, make repayment. Canada's share all told in this program was five per cent of the entire sum spent, our actual claim for goods we supplied amounting in all to $75,033,496.50. First of all we had a rebate on that because once UNRRA took over the work it was on a different footing. We still had goods in flow to Europe for military relief at that time; $4,500,000 worth of supplies were bought from us by UNRRA, and $3,145,000 of truck and motive equipment were also purchased, leaving our net claim against these nine European countries at $67,388,496.50. All these figures are United States dollars. They were used as the standard.

As I pointed out, there were no formal contracts. The governments were mostly provisional, and in some countries no real government; and because of that there was another difficulty, that of accounting for the goods received. One or two countries which had governments in exile that moved in with the army were able to keep accurate accounts of the goods they received. Other countries which were still in a state of turmoil simply took the goods as we delivered them. There was also the matter of what you might call the natural shrinkage of goods which pass through the hands of an army still fighting a war. I think any of you who were soldiers in the last war will understand that if you had been entrusted with supplies to deliver to civilian governments, and as an army unit still fighting you were short of supplies, there might be a certain deterioration in the quantity or quality of the goods before they reached the civilian governments.

I mention all these facts to indicate to members some reasons why payment was not made in full. Two years ago the United States wiped out almost all their claims, and their claims were twelve times as large as ours. The British a year ago decided to make settlement, but in almost every one of the countries the British had other claims and obligations, and therefore most of their claims were settled jointly. We had another claim in only one of the countries, the Netherlands. We waited until the last, for two reasons. First of all, it was only proper that the big debtors should have the first opportunity. Second, we thought that the longer we waited the better shape these countries would be in to pay. I think that decision turned out to be a wise one.

The Netherlands came forward two or three years ago because they had another problem, that of the Dutch guilders which our troops brought home. Because they wanted that matter settled we settled the questions of military relief and the Dutch guilders at the same time. Our claim against the Dutch was for $14,099,724, and we settled in the end for $5,733,966. Of course the Dutch put forward good reasons for compassionate treatment. They said they were not in a position to pay in full, that they had suffered very great war damage, which is quite true. These payments are in dollars spread over ten years. The arrangement with the Dutch was made two years ago.

This spring the government thought the time had come to try to make collection of the other accounts, and I was chosen to go over there. I was accompanied by a very bright young counsellor of the Department of Finance, Mr. Clarence Read. First of all we went to Great Britain and spent a week with the British treasury officials. Since they had made their settlements the year before we thought their experience would be of assistance to us, and they were extremely helpful in telling us of the problems that we would encounter.

We then went to Belgium, taking that country first for the very good reason that, of all countries in Europe, Belgium has made the best recovery, and therefore we thought they would be in the best position to pay in full. The Belgians have made that recovery because they have worked hard and because they had extremely capable financial management under Camille Gutt at the end of the war. They have been able to get pretty well back to pre-war standards. We asked them for payment in full. Belgium, however, was one of the countries which because of an organized government, had even better accounts of the goods they had received than we three countries had of the goods we sent. When the British went over there the year before, the Belgians had shown various items where the quality expected had not been delivered, or the quantity had not been delivered. Because of that the British had given them a concession of nine per cent, an adjustment actually because of the deficiencies in deliveries made. The Belgians asked actually for more than that, but we said we had to do at least as well as the British. In the end the Belgians agreed to pay this adjusted amount in full. Our original claim was, in round figures, $7,822,000. The payment made was $7,106,000, which was paid three or four weeks ago in American dollars here in Ottawa.

From Belgium we went to Luxembourg where we had a claim for $439,000. Luxembourg put up the same arguments as the Belgians so far as the quality and quantity of the goods was concerned. They also put forward an argument which they had successfully raised with the British, that in Luxembourg there was an excellent form of price control. They said this meant that we paid twenty-five per cent less for the goods we bought from them than we paid for the goods bought in Belgium. For this reason Luxembourg thought it should have a better deal than the Belgians. We agreed to settle on the British adjustment, and they paid an amount of $365,000 in cash in one payment here in Canada.

The next country to which we went was France. While the French were very anxious to make a final settlement, the British had asked us not to do so. In view of the great help the British had been to us in advising us on our accounts, we were disposed to listen to them. The British did not settle with the French two years ago because they felt that the sterling position of France was growing stronger and it was likely a better settlement would be made if it were delayed. We did, however, achieve an interim payment of $4 million, payable in French francs. This was the first so-called blocked payment, as the payments of the Netherlands, Belgium and Luxembourg were in American dollars. We have $4 million to our account in France to be used for any Canadian government operation, such as the purchase of properties or the local operations of our embassy, the purchase of equipment for our French embassy, or for other government operations outside of France. I feel that when we do come to make a final settlement with France we will make a satisfactory one.

Perhaps I should finish the northern countries first, because the Mediterranean countries are in a different position. We went to Denmark, where we had an account of $565,000. Denmark was slightly different from all the other countries that owed us money. They were the one who took the initiative in trying to bring about a settlement. Two years ago they wrote and said they had this account on their books and they would like to settle it. At that time we were not prepared to settle with all countries, and so took no action on their request. Again the Danes took the initiative and deposited one million kroner to our account in the bank in Copenhagen. The Danes were also instrumental in finding a very good building for our embassy at a reasonable price so that we would have some use for the money. Still later the Danes put another million kroner to our account out of their next budget and asked us to accept it.

When we finally went to Denmark they asked for a somewhat similar adjustment to that arranged with the Belgians, because of the quality of the goods and the deliveries, totalling in all 13½ per cent. The only other thing they asked us was that the amount paid before devaluation should be accepted at pre-devaluation rates. That was a reasonable request, and we accepted it. Then Denmark paid the balance of $72,000 at once. In all they paid $493,000 out of our original claim of $565,000.

We then went to Norway, and perhaps of all the north European countries Norway has been the hardest hit by the war. They were of course occupied, fought very bravely against the Germans, and suffered great losses. The one dollar-earning asset which they have, their merchant fleet, was in our hands during the war and was of great help in winning the war, but they lost over half of it. They asked for special consideration, and we had our longest negotiations with the Norwegians. In the end they made an offer that they would pay either 8 million kroner, which amounts to a little over a million dollars, or they would pay $850,000 in United States dollars in one payment. It was beyond our powers to accept that arrangement; so it was referred back to the cabinet. It would take us a long time to use a million dollars in kroner in Norway, so it was decided to accept the offer of $850,000 in United States funds. Norway settled for roughly half of the original debt, but it was a good settlement because both the United States and Great Britain wiped out their debt.

I now turn to the Mediterranean countries. Three years ago, owing to political and economic troubles in both Italy and Greece, the United States and British governments agreed to wipe out their debts completely. The Canadian government was asked to do likewise, but being a small country we did not feel we could go quite that far. We did say we would accept substantial reductions, and that we would accept nominal payment some time in the future. Our debt with Italy is about $28,400,000. I went to Rome with Mr. Read. The Italians and ourselves have a little different idea as to the meaning of "nominal", but in the end they made a provisional agreement to pay us $1,300,000, to be used only for the purchase of other property or scholarships for Canadians in Italy. That is the plan adopted by the United States for the settlement of debts in many of these countries. There has been no payment of this money as yet because the Italians felt they ought to submit this proposal to parliament which does not meet until this fall.

From there we went to Greece, and we naturally could not expect more from the Greeks who were our allies during the war than we got from the Italians. Our debt with Greece was actually $612,000. This country is in a difficult economic situation because of ten years of war, five years fighting the Germans and Italians and almost five years of fighting the communist bandits along their northern frontiers. One thing we have in Greece is a tremendous fund of gratitude.

Mr. Fleming: Hear, hear.

Mr. Sinclair: I am very glad to hear the member for Eglinton say "hear, hear" because he was there two years ago as a member of a parliamentary delegation. One thing which struck me when these other countries were complaining about the quality and quantity of the goods was that I did not think there would have been any complaint about the quality or quantity in 1945. In Greece, wherever we went and whatever the political complexion we met this amazing feeling of gratitude for what Canada has done for the Greek people. They especially remember that during the German occupation we shipped wheat and flour through the International Red Cross which kept thousands from dying of starvation. Since the war the Canadian people, especially those of Greek origin, have given much aid for the Greek children as well as the building of hospitals for the children. Gratitude was expressed for that work. If we get no other payment out of Greece than that gratitude, I think Canada will have been well repaid.

The most interesting country we visited was Yugoslavia. At one time there did not seem to be much point in going there to collect debts. In any event we went there, and we were very pleased when Yugoslavia paid two-thirds of its debt. Out of a claim of $226,000 they paid us $150,000 in four instalments in local currency. They pleaded inability to pay, because of the great war damage and loss of life in the war, and their present difficult economic position. However that spirit of independence which has always motivated this brave people made them feel that they would like to make some payment.

One country we did not visit was Albania which owes us about $64,000. We do not have diplomatic relations with Albania, so we are just marking time until the day arrives when diplomatic relations can be resumed, and an attempt can be made to secure some return.

From all the northern countries except France, therefore, we have recovered 59 per cent of our original claims. In three of those countries, Belgium, Luxembourg and Denmark, we considered we got payment in full.

It is the sort of settlement a business concern would get when you consider goods which went astray, were damaged or were of poor quality on arrival. In the case of the Netherlands and Norway concessions were made because of the war damage suffered, and the financial position of these countries today. One thing which might be surprising is that not one of those countries ever raised the point that there was no legal obligation to pay. There really was none. No government entered into any agreement with Canada, Britain or the United States to say that they would pay but all these countries acknowledged the obligation without question.

In conclusion there are one or two things I should like to say about this matter. First of all, because it was raised in the external affairs committee, there is this matter of blocked currency. When Mr. Read and I were sent abroad our instructions were to simply get all we could from those countries which could afford to pay, and to get as much of it in American dollars as possible, and if we could not get it in American dollars to get it in a free currency. If it could not be obtained in a free currency, then we were to get it in whatever form we could. We did get a settlement in United States dollars from three countries. This phrase "blocked currency" is one that is loosely used. What it means of course is that some of the countries simply have not got American dollars and they say: We will pay you in our local currency which you can use, subject to some restrictions. In the case of the interim payment of France there was almost no restriction on it, as long as it was for Canadian government purposes. The same was true in the case of Yugoslavia. In the case of Italy, because of their extremely difficult exchange position, they said: "We will pay you this amount subject to the approval of our parliament but you may only use it for the purchase of property or to build up cultural relations between our countries by sending Canadian scholars here under a scholarship foundation." When such blocked currency is used—for example, the $150,000 we had in Yugoslavia—that is what happens. Our embassy in Yugoslavia costs us about $20,000 a year in local currency. That is for the rent of the building and the provision of local staff and things like that. Before this settlement we provided this in Canadian dollars, exchanged for dinars. Now we have the dinars there, so as far as Canada is concerned that money there in Yugoslavia is just as good as dollars for a period of seven years. Our accounts of these moneys are kept in a special way, however, because of the fluctuating value of the currencies. These amounts in blocked currencies are not kept in our accounts as assets at the present rate of exchanges. They are kept as special assets, and on the liability side there is a contra item classifying them as a deferred asset. When, for example, the Department of External Affairs or the Department of Trade and Commerce has use for those funds, then the money is subject to the same control exactly by the comptroller-general as though it was dollars in the Canadian bank and charged to that department under the proper appropriation at the existing rate of exchange.

That leads to the last point, which has nothing to do with finance but which was raised in the external affairs committee. It is the matter of the acquisition of properties in these countries using blocked currency. In countries where there is likely to be wide fluctuation in the value of these currencies, and it is more likely to go down than up, I noticed that foreign business firms who have a surplus of local currency did one thing. They put that surplus, wherever they can, into real estate which is the one sure hedge against that type of inflation. I noticed also that ordinary citizens in some of these countries do not buy government bonds for fear of inflation. If they are farmers, they try to get gold and put it under their mattresses. If they are businessmen, they try to get their surplus cash into real estate. Therefore in those cases where we have invested some of our blocked currencies in real estate I think we have fairly well protected the interests of the Canadian people against inflation in the years ahead and depreciated our payments in these currencies.

Then there is one last thing that I should like to say about the Canadian diplomatic representation abroad. I am one of those who have never taken part in an external affairs debate because, like many another Canadian, I thought that was best left to the people who were skilled in it; although, after all, I was educated in Europe. I went over there doubting in my own mind whether Canada should have as many embassies abroad as we have now, or whether we should not have stayed like Switzerland with just the odd consul here and there. My eight weeks over there dealing with our embassies in those nine countries has certainly changed my mind on that point. First of all, there is the fact that we have a very fine type in our external affairs department. There is no reason why they should not be because I think they are pretty well the cream of our Canadian universities in the political and economic divisions. The second thing that we found, and which both of us appreciated, was their great knowledge of local conditions; because, in dealing with

these countries which are asking for special concessions by reason of their financial or trade positions, the material amassed by the staff at our embassies there was of tremendous help to us.

But there is another feature which I think should be forcibly drawn to parliament's attention with regard to the value today of our representation abroad. Here in Canada we have long regarded ourselves as being useful as a link between the British commonwealth and America; we have felt that because we were halfway between we could interpret the British to the Americans and the Americans to the British; and we have been very successful in that. I think we have a bigger job today, especially in Europe. As far as the Americans are concerned in Europe, there should be the greatest gratitude to them because Europe is recovering, and is doing so mainly because of the incredible generosity of the American people through the Marshall aid plan. They have poured their money in there. But money is not enough. After pouring in these billions of money, in addition they have furnished American know-how to build up their European productive capacity. But the very presence of these Americans in strange lands has been an easy opportunity for extreme nationalists and for communists to rant about American imperialism. It is fairly natural also, I suppose, especially in a backward country, to have resentment of these people from abroad coming over there and showing you how your country should be run. The same is true to a lesser degree as far as the British are concerned in some of these countries, because today the British are the key to the entire sterling bloc, and it is easy to blame a country's exchange problems on British management of sterling.

Now we are over there too and there is no resentment against us in any country. The people of Europe who twenty years ago knew Canada only as a land of Indians, Eskimos and mounties, after what we did in the last war today recognize Canada as a leader of the small nations and realize that Canada is a country which asks nothing out of this last war except peace. Therefore I think our embassies abroad have a great opportunity to serve as a link between the English speaking peoples and Europe. We know the British. We know the Americans and we are held in high regard by those European countries. We can serve there as an interpreter to these people of the American and British aims and as a liaison between the European people and Britain and America, all because of our unique position, liked and trusted by both sides.

[Mr. Sinclair.]

We are making a real investment in international understanding. It is true we are spending about $7 million a year on our service abroad. That is a service that I think is an investment in international understanding. We are paying over $400 million this year for defence just in case war should come. If there can be better understanding of the aims and aspirations of the commonwealth of nations and of America amongst the other nations of the world, then I think there is little likelihood of war, for the real root of war is ignorance and fear.

Another thing I should like to mention is the warm reception we received everywhere because we were Canadians representing the Canadian government. I felt proud of that fact. We were received by the political leaders of the countries we were in. I think perhaps the highlight was the evening we spent with the king and queen of Greece, and the fact that we were received by Marshal Tito in his home. Again that is evidence of the high regard in which our country is held on the continent of Europe.

There is one other thing I should like to say. I am glad the Prime Minister is in the chamber. I spoke about Marshall aid and the tremendous job that Marshall aid has done in European recovery. Up to two or three years ago there were a great many congressmen who could not see much point in pouring all this money into Europe. In the next year or two a considerable number of those congressmen and senators had the opportunity to go over to Europe and see the tremendous job of European recovery being done through that plan. I am convinced, and some American ambassadors abroad are also of that opinion, that one of the reasons the American congress has continued Marshall aid in the fashion they have and with the willingness they have is that sufficient of the legislators were over there and were able to see and appreciate the job being done. I think it is a great pity that more Canadian M.P.'s have not that opportunity, not to go on a Cook's tour but to go as part of the various delegations we have sent at various times to Europe so that we too can learn at first hand of the problems of Europe and the progress being made and can come back and tell the Canadian people about that program.

Mr. Fleming: I should like to say just a brief word following the statement made by the parliamentary assistant to the Minister of Finance. The first remark is of a personal nature. I should like to congratulate the hon. gentleman on his statement. I think it is the best statement that it has been my privilege to hear him make in this chamber.

In the second place, the nature of the report which he has made is eminently satisfactory, so far as my personal view is concerned. I noted that his instructions were in general to get as much money in those settlements as he could. I should like to have seen that instruction qualified by thoughts of giving as generous treatment as possible to those western European nations, many of whom have made great sacrifices and are in need of help today in finding their way back along the path of reconstruction.

I was particularly interested in what the hon. gentleman said in regard to the settlements with Italy and Greece. He mentioned that the British government had in effect agreed not to ask repayment by these two countries, and had expressed the hope that Canada might see fit to do the same. I hope that the government will try to be as generous as possible in its treatment of the debts owed to Canada by these two countries. Italy is in an impoverished condition and we want her good will. Italy needs a lot of help. She has had serious tasks in confronting the forces of disorder within her own borders; and in this way by exercising some generosity that is not going to hurt Canada very much it seems to me that we can contribute toward bolstering Italy's position, helping her back to a place among the democratic and freedom-loving nations of the world.

In regard to Greece, sir, it seems to me that the opportunity that is given to Canada of forgoing in its entirety a relatively small debt is an opportunity which we should not allow to pass. It is a matter of only $600,000. The Greeks are one of the greatest peoples in all the world, and they have fought a long and courageous battle against heavy odds. Far too many people think of the modern Greeks as being somewhat different in type and calibre from the ancient Greeks. They look back to the days of ancient Greece, and they think of the epic story of the Greece of yore holding closed the gateway to Europe and the Mediterranean against the hordes of barbarians at Salamis, Marathon and Thermopylae. The people of the western world need to know that the Greeks of this day and generation have rendered just as great a service to mankind as their ancient forebears in again holding fast the gateway to the western world and to the Mediterranean against barbarians from the east and from the north.

Here is a small debt owed to us by a people to whom we, along with all the nations of the western world, owe so much today. I think we should not only cheerfully but enthusiastically embrace the opportunity of saying to Greece: "Well done; it is little enough that we are doing now in forgoing this debt to show our appreciation to you for your courage and magnificent sacrifice by which all of the freedom-loving nations of the world have gained."

Mr. Sinclair: I want to thank the hon. member for Eglinton very much for his remarks. I spoke a little loosely when I said our aim was to get as much as we could. That was certainly true of those countries which could afford to pay, but it was never thought by the government at all that anything should be asked for from Greece. I might point out this one thing, however, that this is not all that Canada has done for these countries. Canada has done a great deal through mutual aid, through war gifts and through commercial credits and loans since the war. These are all formal contracts and formal obligations or straight gifts. It seemed fairly important that this one comparatively small over-all debt which was made on that understanding, at a time when it was not possible to conclude a formal agreement that it would be repaid if it could be repaid, should be honoured. And I think most of the countries we dealt with felt that way too.

I was especially glad to hear the hon. member speak of Greece as he did because my feeling, after having left Greece, was what a pity it is that all the people of Canada cannot feel this tremendous warmth and gratitude which these poor but brave people have for this country.

The Chairman: Shall the item carry?

Mr. Fleming: I understood the minister was going to make a statement on Korea in answer to the hon. member for Peel.

Mr. Pearson: Yes, that was the third question that the hon. member for Peel brought up. I think the first two have been satisfactorily dealt with. He asked me if I would say anything about the developments in Korea since I last reported to the house, which after all was only yesterday. There is very little I can say about developments themselves. We are continuing of course to get news, but most of the news we get on the operations in Korea appears in one form or another in the press. From the information which is at our disposal it seems to be pretty clear that the initial advantage that so often attaches to aggression is being maintained by the North Korean communist forces.

In regard to the security council resolution which I mentioned yesterday, and which I stated we supported, and there was no indication in the house on any side of lack of support for that resolution, we immediately after yesterday's statement got in touch

through our representatives in the United Nations with other members of the United Nations to exchange views as to how best we could implement this resolution. We know of course that the most important member of the United Nations in this particular matter is the United States. It is the country best able to intervene in this matter as an agent of the United Nations and it has already, as I said yesterday, acted effectively. Therefore we have been discussing not only at Lake Success but in Washington with United States authorities what action Canada, as another member of United Nations, might appropriately take to help the government of South Korea maintain itself in the face of this aggression. Also our High Commissioner in London is meeting with the Prime Minister of the United Kingdom and with representatives of other commonwealth governments to see what can be done, to exchange views with these governments on what they are preparing to do. Of course, as we know, some of these governments have already made statements. I think the committee will also be interested to learn of an announcement that the government of India, the representative of which was not in a position yesterday to state his government's position on the security council resolution, has now indicated its full support of that resolution. Our High Commissioner in Pakistan has also cabled us that the government of that eastern dominion of the commonwealth, through its foreign secretary, has told him that they support strongly the security council's resolution.

The secretariat of the United Nations, through one of its senior officials, was in touch with me yesterday to inquire whether we could do something which they consider of some immediate importance, and that is, to supply one or two military observers to join the United Nations commission in Korea which, as members of the committee know, has been functioning there although it recently had to leave South Korea temporarily, but I understand it is going back. The work of that commission is of great importance, especially that aspect of it which deals with observation and report to Lake Success on what is going on. They have a lack of trained observers for that purpose, and they asked us if we could help fill the gap. I at once got in touch with my colleague, the Minister of National Defence, and we have agreed that we would make two military observers available at once for that particular duty. I hope they will be on their way soon.

I think, Mr. Chairman, that is all I can say on the immediate situation at this time. If any points should arise in the course of our discussion which I can deal with later I shall be glad to do so.

[Mr. Pearson.]

Mr. Drew: Mr. Chairman, the Secretary of State for External Affairs has stated that there has been no indication from any part of the house of any lack of support for the position taken by the security council and steps taken by this government consistent with that. I feel sure that not only is no objection taken to the course that has been followed, but there is very warm support for every step that can be taken to align ourselves with those who are seeking in this way to preserve peace.

The minister pointed out that the government had immediately taken steps to ascertain what action might appropriately be taken by Canada under the terms of the resolution adopted by the security council of the United Nations. That in itself is the key to the future action the government may be called upon to take. As he has already pointed out, it has been suggested that military observers would be welcomed, and that they could accompany the United Nations commission in Korea. Through those observers the Canadian government will be kept in touch with all information which the United Nations commission obtains as to the actual conditions on the spot. Undoubtedly through that advice the government will be able to formulate its plans with the advantage of direct knowledge from Canadian observers as to what the situation is.

One of the extremely gratifying features of the situation is the promptness with which the nations that have the responsibility in this case have acted. Without reservation they have demonstrated that they believe the United Nations can be an effective mechanism for the preservation of peace. To that extent I should think these past few days have offered more encouragement than we have had for a very long time. There can no longer be any doubt as to the willingness of member nations of the United Nations, who believe in our free way of life, to associate themselves in effective steps to preserve that freedom. Very encouraging to all Canadians will be the information the Secretary of State for External Affairs has given us this afternoon to the effect that India has expressed its full support of the resolution passed by the security council. Geographically, India is closer to the scene than any of the other nations that have been called upon to make these decisions. That great nation embraces a tremendous population, and the influence of its decision is bound to be very great. So also is the decision of Pakistan, which aligns with us the two largest Asiatic members of the commonwealth.

The situation however is one that is bound to change rapidly from day to day. The United States, having its armed forces in Japan, was the one nation in a position to take quick and effective action consistent with the expressed wishes of the free nations with which the United States is so closely associated on this occasion.

Having taken the steps that have been taken, there can be no doubt that the prestige of the United States, of Great Britain and of all the nations which have indicated their support of the resolution adopted by the security council, is committed in a very substantial measure to the outcome of events in South Korea. All the steps which have been taken are related to the events taking place in one particular part of the world. The outcome of those events will have a significance for each of us far beyond any similar events which have occurred since 1945.

For that very reason it will be difficult for the government of Canada or for any other government to anticipate, with too great a degree of certainty, what the situation may be even a few days from now—certainly even a week from now.

I do wish to indicate my own support and the support of the party to which I belong for all effective steps which may be taken by the government of Canada in association with other governments of the United Nations to demonstrate that all free nations are willing to join together in a collective effort to preserve peace in this way.

As members of parliament each of us is concerned with the form the assistance given by Canada may take. I would not seek to obtain from the government any fixed commitment at this time, in the absence of more definite information as to the course of events. But I would certainly ask—and I feel sure I need not do more than make the suggestion—that the government do give an undertaking to hon. members that, if events should call for action which places the responsibility upon parliament for any decision, parliament will immediately be reconvened.

Mr. Knowles: Mr. Chairman, following the remarks made yesterday by the Secretary of State for External Affairs I made a very brief statement. However as I look it over in *Hansard* I realize that within the space of a sentence or two I did express the views which we in this group hold with respect to the present situation. The emphasis I urged yesterday—and I repeat it today—is our complete support of the principle of collective security, and our readiness to carry our support of that principle into all it may involve.

I am sure that we in this group are not alone in the concern we felt earlier this week, not only because of the seriousness of the situation in Korea, but because of the danger there was that a conflict might develop simply between one great power on the one hand and another great power on the other. Even though we were saying nothing about it, because of the seriousness of the situation, we felt it was extremely important that whatever action was taken should be taken as collective action by a decision of the United Nations, and not as action by only one power against another. Accordingly we were gratified to note the speed with which the security council met and dealt with this question, and passed in addition to its resolution of Sunday its resolution of Tuesday night, which I now understand has the affirmative support of eight members of the security council.

May I say again that we regard the keeping in repair of the principle and machinery of collective security as the most important task facing us at this time of crisis. If there were a conflict between just two powers, no matter how that conflict came out, it would not guarantee the future peace of the world. Even collective security cannot guarantee peace absolutely, but it has an infinitely better chance than can be achieved by the victory of one power over another.

I emphasize the need that this whole incident has indicated, namely, the need of strengthening the United Nations and moving further in the direction of what was sought in article 43 of the charter. Yesterday the Secretary of State for External Affairs pointed out that agreements have not been concluded under article 43, so another kind of action has had to be taken, as is indicated in the resolution passed on Tuesday.

This development reminds me of the discussions that used to take place four or five years ago when the United Nations was first being set up as to what would be the situation in the security council, bearing in mind the veto, if there was an act of aggression in which one of the great powers was involved. The question was whether the security council would be prevented from acting. It was a serious discussion although an academic one. I notice now that the free world readily accepts the resolution of Tuesday night which was passed by a vote of seven to one—now eight to one—as putting complete moral authority behind the collective action being taken to preserve the peace.

I suggest that even though the letter of the charter may not have been kept, at least the spirit has been kept and the reaction of the free world toward that resolution indicates that there is more strength to the United

Nations, despite all the stumbling it has done in the last few years, than some people have thought to be the case. I think we should draw a lesson from this experience. It is now our task to add to the strength of the United Nations and to insist that we must reach the day when that organization will be able not only to discuss matters of international importance but will be able to enact international law and have the authority to enforce that law.

There are three basic principles which I feel should be worked into the framework of the United Nations. I indicated these during the course of a speech which I made in this house on March 26, 1945, when we were discussing the sending of a Canadian delegation to San Francisco. At that time I said:

> I feel that there are three fundamental conditions which are basic to the success of a world organization, and I trust that the San Francisco conference will see to it that these three basic conditions are met. First of all, if a world organization is to succeed, it must have authority to enact international law. In the second place, such an organization must have authority to enforce that law. In the third place, it must have the capacity to retain the authority vested in it by the consent of the governed.

We do not achieve perfection in our institutions overnight and we cannot expect to achieve it very fast in the international field. But I agree with those who have already expressed the view that with all the tragedy with which this week has been fraught there is also an element of hope in that the United Nations, despite its stumbling and the barriers it has had to get over, has been able to act and that there has been a show of collective action to preserve the peace, and a determination not to make the same mistakes that were made in the past.

I am sure the Secretary of State for External Affairs is right when he says that the government has the concurrence of all the groups in this house in its readiness to support the action taken by the United Nations. That is clearly our obligation, and that way alone lies hope. If we can deal with this present crisis on that basis and demonstrate the effectiveness of collective action for peace we may yet achieve much more in that direction than at times we have dared to hope.

Mr. Pouliot: Mr. Chairman, any man who reads the magazine section of the New York *Times* must have obtained considerable information about world affairs. The details of the armaments of the various countries are no longer secrets because they have been published and anyone can read. I can remember what appeared in the New York *Times* not long ago about the difficulties in Korea. The boundary of Korea on the north is a river which divides it from Manchuria. Across the river it is no longer Korea.

Then there is a division between the north and the south. There were Russian military experts in the north and United States military experts in the south. When the Russians decide to withdraw they go across the river but still are not far from Korea. If the United States have to withdraw they will be between the devil and the deep sea. They will have to go to Japan or the United States or to the South Sea islands. That is that.

The Russians have foiled the United States. Mind you, I am not saying that communism is right. At the end of the last war everybody was hysterical about the menace of Japan. Those who are familiar with external and foreign affairs, which I am not, must have read the magazine of the United Nations which contained an interview with a vice admiral of Japan who stated that the intelligence service of the United States had given the wrong information to President Roosevelt about the strength of Japan during the last war. That may have been the reason why he made so many concessions to Russia; he may have thought that Japan was much stronger than she was.

The wrong information given by the United States intelligence service misled the president, as is indicated by what has appeared in the official publication of the United Nations. It may have been because the Russians did not trust Winston Churchill that President Roosevelt had to make more concessions but I will not insist on that. I can remember the denunciation of Russia made by Winston Churchill at Fulton, Missouri, in front of President Truman. I was puzzled and amazed when I read that during the last British elections Winston Churchill was bold enough to say that he was the one who could appease Stalin. If you take his Fulton speech along with his election speeches you can readily understand why the British people could not trust Churchill any longer. He may have many great qualities, but unfortunately he is not a diplomat.

We are to discuss Korea. Why? Because of the yellow press that has magnified the incident. Russia has often had political and diplomatic successes in other parts of the world, in all of central Europe, the Balkans except in Greece, on the east and south sides of the Baltic sea. What did we do about them? Everybody regretted the inefficiency of the United Nations and the security council. It is a fact. I am merely relating facts that are known everywhere. It is not the first time

that Russian intrigue has been successful. Why is it that the diplomats of the other members of the United Nations are not as bright as those of Russia? It is deplorable to see how weak their brains are. I am not commenting about the Secretary of State for External Affairs because Canada is not one of the great powers and has no seat on the security council.

I have great respect for the United States and for their president; I have great respect for Mr. Attlee and the British people; but we are not bound by decisions made by the United States. When have we ever seen a statement made by any Canadian statesman in Canada, by any one of our prime ministers except when they might be visiting Washington, reproduced in the congressional record? Never. The undertakings and achievements of the United States in the diplomatic field and our own are entirely different and should be so considered except when something is done in accordance with a treaty binding us with other nations.

In 1940 at the outset of the war my colleague from Leeds and I suggested that we should have a treaty for defence with the United States. Our only guarantee was a verbal declaration which President Roosevelt made in 1940 at Ogdensburg. Mr. King had said two weeks before that it was not the time to ask for such a treaty, that we did not need a treaty for defence with the United States. A couple of weeks afterwards he met the president for the opening of a bridge and he made a declaration which has been our shield since that time. The individual actions of the United States and those of the security council are entirely different. As one of the big nations the United States has a permanent seat on the security council. We have not. It seems to me that, since the security council is no less than the board of management or board of directors of the United Nations, it should have been the one to speak first and to make its protest first about the Korean situation. That was not done. It was done by President Truman who was dissatisfied with the turn of events and said that he would have forces ready to prevent any further invasion of South Korea.

What happened in South Korea? Thinking again of the New York *Times* and the information I quoted, because I had none from other sources, elections took place not long ago in South Korea where communism was banned. No candidate could run as a communist. Nevertheless they ran as independent candidates, secured one-half of the seats and the government was defeated. It was after the government that was opposed to communism in South Korea was defeated that the Russians withdrew to the other shore of the river and said to the Americans: Do likewise. We will withdraw from North Korea. Withdraw from South Korea. Take your boats, return to the United States, Japan or the South Sea islands and eat bananas.

Mr. Stewart (Winnipeg North): Are you sure of your history?

Mr. Pouliot: I have no direct information from Russia. I got my information from the New York *Times*. That is the best I can say.

Mr. Stewart (Winnipeg North): You must be reading double talk.

Mr. Pouliot: My information is information that is available to all. I cannot say that my hon. friend is better informed than I am because I would be called on to withdraw. I will tell you what the situation is. In my humble opinion I believe that force should be met by force, and I said so a long time ago. I said that if the Russians would not listen to quiet arguments and would not join in talks for peace then we should impress them with a display of our strength. But that is not enough. What we need is correct information and intelligent comments so that we shall be thoroughly familiar with the situation.

The North Atlantic pact has served a purpose by uniting nations that were ready to honour their signatures and separating them from those that did not show the same respect for their undertakings. On the other hand, it is very dangerous to play with fire. The Secretary of State for External Affairs said yesterday that he was ready to give his support to the security council. I was anxious to know what that support would be, and for this reason. At the outset the United Nations were supposed to have military forces at their disposal to impose sanctions. They never did, except some of them through the North Atlantic pact. They did not have it because Russia would not join them. Russia would not give its assent to the establishment of a military force, and that needed unanimous approval. The security council, therefore, is without any power to impose sanctions. It is something hypothetical and theoretical. It is a meeting of nations who follow where the United States and the United Kingdom lead. Whereas the United States and Great Britain have seats on the security council, there is no reason why the first protest did not come from the security council instead of coming first from the United States, second from Great Britain, and third from the security council.

What are we going to do about it? What interest do we have in Korea? There may be a few Canadian missionaries of various denominations in that place, but how many Canadians are there in South Korea? If Canada is going to support the security council's decision regarding Korea, what form will that support take? It could not be platonic; that is impossible because it is a serious matter. Now, sir, I remember the dark days of the war when there was a small group of men raising their voice in protest against the unanimous approval of war-mongering. Who is responsible for that situation if it is not the press? It is the yellow press that plays on the credulity of the people. Always they are talking war: Malbrough s'en va-t-en guerre. I wonder how many of my colleagues realize the seriousness of the situation, not in Korea but right here in Canada.

I use my privilege as a Canadian citizen and as a member of parliament to give a warning to you, sir, to the House of Commons, to the parliament of my country, and to every man, woman and child in this country. It is very nice to beat the drums. We hear the beating of the drum at the beginning of the war and at a military funeral. The sound is made on the same instrument, but is it the same? We may think of that. As a member of the parliament of Canada I cannot do otherwise than to regret that nearly all members of parliament have their mentality shaped by the yellow press in Canada; the yellow press which exploits the credulity of the people to the limit. I will ask you, sir, without having any sympathy for Russia or for communists: If you were a Russian citizen visiting Canada and reading the papers that are published here, would you not believe that Canada was already at war with Russia? Perhaps the same thing is written in reverse in the Russian press. What is the security council doing to stop that most dangerous propaganda throughout the world, which is exciting war after war, nation after nation, and bringing everyone to the door of war?

Sir, there is another thing that we should realize. It is that the United Nations has completely failed, and two of the big powers have decided to act independently of the security council on which they sit to help it give the lead to others. With all due respect I do not think the Canadian minister of external affairs should have communicated with the security council to ask them what to do. We are supposed to receive a call for help. It was not our duty to run after it. If they need us, let them say so. If they do not need us, we shall be left alone—not alone in the sense of being abandoned, but alone in the sense of enjoying peace. Sir, the desires of all are for peace. I hope that the Canadian people will be in a position to breathe after the excitement about Korea is over. We need it because the Canadian people suffered so much during the last war. We should not get into it again on account of the stupidity of the men who are on the security council, and who have been unable to prevent a situation like the one that exists.

It is pleasurable to make trips to Lake Success and all over the world to meet people. Let us meet people. But those trips have not met with success. It is over five years since hostilities ceased, but we have not yet attained peace. I hope, sir, that the session will be prorogued soon so that the discussion about external affairs will stop, and instead of encouraging—

Mr. Cardiff: You are certainly helping it.

Mr. Pouliot: I will tell my hon. friend who has just spoken that if I gave him a chance to make up his own mind about anything, I would be satisfied to have had that opportunity. If my hon. friend wants to read the yellow press, and if he is impressed by it, let him be. I am not.

Going back to what I was saying, I hope the minister will understand that the duty of his department is not to follow the lead of jingoes like the hon. gentleman who has just spoken; blind jingoes; ignorant jingoes; stupid jingoes—

Mr. Cardiff: I will ask the hon. member to withdraw that statement, Mr. Chairman.

Mr. Pouliot: I withdraw entirely.

Mr. Cardiff: All right.

Mr. Pouliot: Open the way to peace, lasting peace. Mr. Trygve Lie was criticized for going to Russia. Stupid people thought that he should stay at home. They did not understand the necessity of talking things over with Russia. I am not at all favourable to communism; I abhor it. But it is important to discuss things. Why do so many people leave Canada to attend conferences if not to discuss matters with other people? When they had a general council meeting of the bar at Montreal, there was a speaker who made a statement about some matter and his language was nebulous. I asked my neighbour why there were such meetings if there was some talk that we could not understand. He said: These people think that the important thing is to meet, and so long as they meet without deciding anything, they are sure that they have fulfilled their mission.

The next time that there is a meeting, I hope that the minister will go and I hope he will again be accompanied by my good friend the Minister of Fisheries, who did

such a good job. I hope that both of them will try to bring the other nations of the world to their senses so that the next war does not come as soon as it is foreseen by some newspapers but rather that the world will enjoy lasting peace.

Mr. Green: Mr. Chairman, these days may be the gravest in the history of our nation. I believe that the Secretary of State for External Affairs should clarify the stand the government is having Canada take on this question. He has not yet made the position clear, particularly in that he has not yet said whether Canada has told the United States and the United Kingdom that she stands beside them. In my judgment, that position should be made clear to those nations, and also to the Canadian parliament and to the Canadian people. We are entitled to have that information.

The position is this. The United Nations security council has called on the members of that organization to take steps to stop this aggression. Sanctions have been imposed by the security council. As I understand, the United States did not move in South Korea until that resolution had been passed by the security council. Yesterday the minister called the action that had been taken by the United States government an "act of high courage and firm statesmanship"; and he was roundly applauded in this chamber when he made that statement. I am certain that practically every member of the House of Commons agreed that the action by the United States was one of great courage and of great statesmanship; and also that by such action our neighbours took considerable risk. They have now been joined by the United Kingdom, and those two great nations are giving leadership to the world today in this crisis.

Mr. Blackmore: They always have given leadership to the world.

Mr. Green: That is right.

Mr. Blackmore: They did not have to wait for the United Nations.

Mr. Green: I believe that Canada should be standing beside them. Yet we have not had a statement to that effect by the government. If one analyses the statement made yesterday by the minister, one finds that Canada has asked the security council to tell her what she should do. The minister knows just as well as we all do that the security council is not in a position to tell Canada what part she should play in this crisis now that there is fighting. The security council has never been able to set up an organization that could give such directions. If Canada has to wait until the security council tells her what to do or until she has been able to consult with various other nations, which incidentally have not been named by the minister, then it will probably be too late for Canada to take any effective part.

The minister yesterday pointed out the weakness in the United Nations set-up when he said, as reported at page 4251 of *Hansard:*

> In these circumstances, with one link missing in the chain which has been designed to hold aggression in check, it was impossible for the security council itself to take effective action to provide military assistance to the republic of Korea.

It is impossible today for the security council to tell Canada what part she should play. This parliament should remember the unique position of Canada with regard to the United Kingdom and the United States. We are in a position such as is no other nation in the world with regard to these two great powers. We have the most friendly relationships with both of them, and in times of crisis like this we should be extremely careful to play our part so that that relationship will not be weakened in any way.

The hon. member for Temiscouata says that Canada is in no danger. He asks: What interest do we have in Korea? The whole purpose of the action now being taken by the United States and by the United Kingdom is to prevent a third world war. That is the only reason they have made these moves. If there should be a third world war, Canada will be directly and seriously involved. On June 22, a week ago today, General McNaughton pointed that out when speaking in Vancouver. He said that if the third world war should come, this continent would be under attack from Russia. Here is his statement:

> It would present therefore—

Referring to the North American continent.

> —a prize objective to attack, should the possibility for this be left open, and we are no longer immune by reason of distance from other continents.

The Secretary of State for External Affairs himself said much the same thing when he reported to this parliament on February 22 on the conference at Colombo. He ended his speech with these words, and how very true they are today. Referring to Asia he said, as reported at page 137 of *Hansard*:

> But whatever the result, Mr. Speaker, our own country, Canada, which once may have seemed to be so remote from these matters, and which now stands on the threshold of such great developments, will be deeply and directly affected by the outcome of what is now going on in Asia.

Canada cannot avoid trouble if there should be a third world war. I have said on different occasions I believe she would be the Belgium in such a war; so that we are

directly involved. The attitude taken by the government is altogether too much like the attitude taken in regard to the Berlin airlift. Here were the other nations maintaining that lift; the United States, the United Kingdom, Australia and I believe New Zealand all taking part in that lift which was essential to preserve peace, and yet the Canadian government would not make a move. Let us not be put in that position in this present crisis.

The statements of the minister so far would seem to indicate that Canada is adopting very much the same attitude that she took with regard to the airlift. The minister has said today that we are going to supply two military observers. Apparently we have agreed to supply two military observers. Well, that is not in line with the position Canada occupies in the world today. I plead with the minister and with the government that a clear-cut statement be made to this parliament, and through this parliament to the Canadian people, to the effect that Canada stands now beside the United Kingdom and the United States in this great crisis.

Mr. Diefenbaker: There are just one or two questions that occurred to me, and I should like to have the minister elucidate them. It seems almost fantastic that five years after the signing of the United Nations pact we in this parliament should be discussing a matter so serious to the welfare not only of all Canadians but generally of the people of all the world. No one wants to discuss this matter in words that are not characterized by restraint and a realization of the situation that prevails. But it is passing strange that in the last hours of this session of parliament we discuss these matters with little information or no more than one can secure by listening to the radio or reading the newspapers. So far as I have been able to hear—and I have listened to the statements made by the minister—all that we have today is in effect an epitome of what has taken place in the United Nations, and the placing on *Hansard* of the words of the President of the United States.

Parliament is not to be kept in session, which would lead one to believe that the situation is not as serious as many feel it is. Certainly the moves of the last few days in the matter of collective security constitute a step forward, a great step forward in the history of international law. For 200 years, and particularly since the council of Vienna, the great statesmen of the various countries of the western world have looked to a day when collective security would be enforced as against aggressor nations. The dream of an international police force was placed before the council of Vienna for the first time by Castlereagh. At San Francisco the same view was expressed that we were to have an international police force, if you will, representative of the various countries within the United Nations. However, that police force has come to naught. It has never come into existence because of the fact it was realized that the U.S.S.R. would apply the veto in the event that such a proposition were advanced.

I feel the people of the country will want to know certain facts. They will want to know whether or not the interpretation of our responsibilities under the United Nations by the government consists in the belief that, whatever direction the United Nations may give as to Canada's contribution, Canada in such a case might act through its government automatically.

The people of Canada will want to know whether it is the interpretation of the government that, if the United Nations asked for material or manpower assistance, our responsibility under the United Nations charter could be discharged by the government without parliament. They will want to know whether or not parliament will have to be reassembled.

I am one of those who believe, as I endeavoured to show during the days of the last war, that an opposition has responsibilities no less than has the government. What I am about to say may seem somewhat critical of the attitude taken by some members of the opposition. I believe a mistake was made when the government ceased to have representatives of all parties in this house attending at the United Nations assembly meetings. I think that was a retrograde step. We are asked to accept, as we must as members of the opposition, responsibilities without at the same time being in possession of the information which the various representatives chosen from the government side of the house have in their possession by reason of their membership in the various agencies of the United Nations.

I think that Canada wants to have from the minister today not a general expression; she wants to know what our responsibilities are going to be within reason practically. Canada wants to know—and no Canadian today knows outside the government—what degree of responsibility is to be assumed by Canada. She was a member of the security council for a while; she is not now. The fact that she is not in no way detracts from the degree of her responsibility, as I see the situation. What Canada wants today from the minister is an assurance that in permitting the prorogation of parliament there

is in that fact a tacit admission by the government that the situation, the world situation caused by the Korean crisis, is one that in the opinion of the government will be solved, that aggression will have been prevented, and that the achievement of peace will have been advanced immeasurably by the collective action of members of the United Nations.

I do not remember a more serious occasion in my few short years in parliament than the events of the last few years. Yet, as I sit here and listen to the debate, it seems as if we live in this parliament in a fantastic atmosphere of make-believe. Either Canada has responsibilities, and she has those responsibilities as a signatory to the United Nations charter, or she has not. If she has responsibilities, then surely the Canadian people have the right to know what they are. Those responsibilities cannot be measured by the sending of two military observers. That is a step. Surely Canada has a right to know whether the world situation is such, and whether her responsibilities are much greater than would appear to be the case by the discussion that has taken place in this committee.

Mr. Pearson: Mr. Chairman, I think I should say a few words by way of comment on the statements which have been made just now by two hon. members opposite. In the first place I would not like to leave the impression in any member's mind that anything I may have said or may not have said indicated that the government, or I as its spokesman on this occasion, do not realize the seriousness of the present situation. Because it certainly is serious. As the hon. member who has just taken his seat has said, it is tragic that in the dying days of this session, in these last days of June, 1950, we should be discussing a matter which is more important, possibly more grave, than anything else we have discussed at this session.

The fact that parliament may prorogue tomorrow or the next day should not of course be taken to indicate that the government feels that this is not a serious situation, or that it feels that it is one which will clear up easily in the next day or two. That is not so. It might of course have been possible to adjourn parliament; but I understand it would be just as easy and just as quick to bring parliament together after prorogation as after adjournment, if such course proved to be necessary.

So far as I am concerned, I find myself in agreement with the leader of the opposition who in his remarks, I suggest, correctly outlined the position regarding those circumstances which would make it necessary to call parliament together again to consider this matter, if the situation should deteriorate to the point where that course would be advisable.

The hon. member for Vancouver-Quadra asked me if I would make a statement as to where the government stood in this matter. He wanted to know whether we stood behind the United States and the United Kingdom.

Mr. Green: Beside.

Mr. Pearson: "Beside." I can tell him, as I had hoped my words would have indicated yesterday, that we do stand beside the United Kingdom, the United States and all members of the United Nations who accept the security council resolution. I do not think I can go further than that. The security council resolution speaks for itself. Our obligations as a member of the United Nations with respect to that resolution are just the same as if we had been a member of the security council and had voted for it at Lake Success.

As to what we should do to carry out this resolution or to participate in its carrying out is something which cannot be decided in an hour or a day, as the leader of the opposition said a few moments ago. The situation is changing in Korea from hour to hour. Naturally any participation by ourselves in this collective effort—because that is the only encouraging feature about this whole tragic situation, that it involves for the first time, genuine, effective collective effort—must be guided by events.

Mr. Green: Time is precious.

Mr. Pearson: The situation, however, in regard to the matter is changing from hour to hour, and our participation in this effort will have to be related to that changing situation. For that reason we have already begun to discuss with other members concerned, and more particularly the government of the United States, which is immediately concerned—because it is the only government that can do anything about this matter now, and because it is the only government that has a force on the spot at this time—what we shall do.

The hon. member for Vancouver-Quadra has said that we should not be going to Lake Success to consult with the security council as to what we should do, that we should not ask the security council about this. I have not said we have done that. If I did—and I do not think I did—I conveyed the wrong impression. What I meant to say was that we have discussed at Lake Success with

other members of the United Nations how we can concert our effort in this matter. I think that is an entirely proper course to take. Also I hope it will not be suggested that because I mentioned this afternoon that we were sending two military observers to Korea I necessarily wished the house to infer that that is necessarily a discharge of our responsibility. I did not intend to leave any such impression. I mentioned the matter because the United Nations secretariat had asked us to do this service for the United Nations commission in Korea as something of value at this time, and we said we would be glad to do it. But that, of course, is only one small element in this whole problem.

As it happens, I am not at this time in a position to say how our responsibilities can best be discharged so that we will carry out the obligation we have taken as a member of the United Nations in regard to this matter. But let me say that Canada will do as she has always done: her full duty in regard to any international obligation that she has undertaken. Our obligation in this matter is one which springs from our membership in the United Nations, and that is the only obligation we have.

That is an extensive obligation because it imposes upon us the duty and privilege of doing what we can to see that peace is preserved, not only in Korea but in any country of the world where it may be challenged.

It was said this afternoon by one hon. member on this side of the house that there might not be any Canadians in Korea, that we might have no interest in Korea, that Korea is a country far away. Well, there were no Canadians in Danzig; and I remember one European statesman saying in 1939 that Czechoslovakia was a small country, far away. I think all of us in this House of Commons recognize—if we do not, then we have been blind to the events of the last twelve years—that there is no country, small or large, which is far away from Canada, and that there is no way by which we can be safe in a warring world. Therefore we must take our part in collective police action to stop trouble before it spreads. That is the purpose and the policy of the government and, I am sure, the policy of this House of Commons in this matter. I feel confident that we shall discharge that policy with credit to ourselves and to our country.

Mr. Boisvert: Mr. Chairman, I had no intention of taking part in this debate, but from the speeches I have heard today I must admit that our country is facing a difficult situation. When the country we love so much is faced with trouble it is the duty of members of this parliament to endeavour to get everyone in the country to back the policy of the government to deal with the conditions that arise.

Along with a group of nations Canada has pledged herself to try to establish peace in our world. Since 1945 I do not think any other country has done as much as Canada to attain peace for each and every one of us. It cannot be said that we did not succeed. I cannot say that the world will be at war tomorrow, but if war does occur, let us be behind the government and adopt all necessary means to defeat the enemy, to defend our country, and, in the international field, to take all peaceful means which will bring about a definite peace. If conditions tomorrow are worse than they are today, I am sure that all the people of Canada will be united and will be behind the decisions that may be made by the government to bring about that which will be a joy for ever—peace for ourselves and for our children.

I was not prepared to make a speech today, but I want the committee to know that we from the province of Quebec will be like brothers with those from other provinces in our readiness to support the government and to make it strong in the presence of conditions which none of us want but which must be faced.

Mr. Fleming: Yesterday the minister tabled a lengthy list of diplomatic instruments, to be found on pages 708 and 709 of *Votes and Proceedings*. I do not know how many of these could have been tabled at an earlier date, but it is unfortunate that these instruments were not tabled before the committee on external affairs concluded its sittings. If there was anything in them of interest or importance which could have been discussed by the committee, or if further information was required, they should have been placed before the committee. The committee has again done useful service, particularly in the review of the estimates of the department. Inasmuch as several of these instruments involve the exchange of notes leading to agreements with respect to aviation, I should like to know if any of the five freedoms of the air have been thereby extended to other countries.

Mr. Pearson: I regret very much that these instruments were not tabled sooner and made available for discussion in the committee on external affairs. I hope in future we shall be able to do that. With regard to the exchange of notes on air arrangements, I can assure my hon. friend that in no case has the fifth freedom been given to any other country.

Mr. Fleming: Do some of them relate to air freedoms?

Mr. Pearson: I have not the list before me, but it is possible that some of the air agreements may relate to the first, second, third and fourth freedoms.

Item agreed to.

The Canadian government's assessment for membership in the following international or commonwealth organizations—

73. United Nations organization, $1,343,700.

Mr. Eudes: Mr. Chairman, on this item I should like to review the activities of one of the most important organs of the United Nations. I had the responsibility of representing Canada at the United Nations during the tenth session of the economic and social council. As one of the original members our country served on that council from 1946 until 1948. After a lapse of one year Canada was elected for a second three-year term starting in 1950.

The economic and social council plays an essential part in the pursuit of the noble ideals that the United Nations themselves supported, the establishment of international peace and security. Under article 56 of the charter all members of the United Nations pledged themselves to take joint and separate action in co-operation with the organization for the achievement of the purposes set forth in article 55. Those purposes are as follows:

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

(a) Higher standards of living, full employment, and conditions of economic and social progress and development;

(b) Solutions of international economic, social, health and related problems, and international cultural and educational co-operation; and

(c) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

Under article 60 of the charter it is enacted that responsibility for the discharge of the functions described above shall be vested in the general assembly and, under the authority of the general assembly, in the economic and social council. To exercise these functions properly, the economic and social council needs the extensive powers provided for in chapter X of the charter. For instance, the council may make or initiate studies and reports with respect to international economic, social, cultural, educational, health, and related matters, and may make recommendations with respect to any such matters to the general assembly, to the members of the United Nations, and to the specialized agencies concerned.

According to its own rules the council meets twice a year. The first session in February and March of this year was held at the United Nations headquarters. The second, as in previous years, will take place next week at Geneva. Informally referred to as ECOSOC, the economic and social council is composed of eighteen members of the United Nations elected by the general assembly in a way to grant, so far as possible, adequate representation to the various geographical, political, racial and economic areas of the world. For instance, this year the members sitting at the council's table are the following: From the commonwealth of nations, the United Kingdom, India, Pakistan, Australia and Canada; from continental Europe, France, Belgium and Denmark; from the Latin American countries, Chile, Brazil, Peru and Mexico; from the Soviet bloc, Russia, Czechoslovakia and Poland; from the rest of the world, the United States, China and Iran.

It has been, Mr. Chairman, the constant view of our parliament that every member becomes, as soon as he is chosen, a representative of the whole body of the Commons without any distinction of the place whence he is sent to parliament. In a like manner, each of those eighteen members when elected to the council, bearing in mind of course the national interests of his government and country, serves for the whole of humanity. His approach to the problems submitted to the council must tend, because of the solemn pledge of the members of the United Nations, towards the implementation of the purposes of the organization, the maintenance of international peace and security.

If one considers even briefly this very simple truth, made evident by international events of every moment, that peace and security are not a mere absence of war but require essentially the establishment of a reign of justice, order and equality, the part to be played by the economic and social council becomes of prime importance. Because of the wide scope of the subjects falling within the council's competence, its field of action is as vast as are varied the problems liable to touch the individuals and the peoples of the world in their moral, intellectual, physical and economical well-being.

As the council does not touch matters provoking for the near future calamities that will destroy mankind, its work is less spectacular than that of the security council and of the general assembly, and thus does not stir up as much public opinion. Such a psychological attitude, which is easily conceivable, does not lessen in any way the importance and the necessity of the task

which the United Nations have vested in the economic and social council for the building up of world peace.

How will true peace and security be achieved if each individual, no matter what his race, creed or speech may be, does not enjoy the goods of life to which by nature he has a vested and undeniable right? In order that each individual may have access to the goods of life, there must exist a set of conditions, a social and economic climate favourable to a standard of living as high and as equal as possible for all individuals not only of the same country but all peoples.

Those thoughts, Mr. Chairman, are so much the more important today when the only menace to world peace derives from the Soviet countries. Since the end of the war, the world has witnessed the upsetting sight of the growing domination of communism due of course to its brute force and methods but also to its repeated and unceasing attacks against democracy, and to its assurance that it alone is capable of smoothing inequalities between men and of establishing for all high and equal standards of living. We have indeed to realize that brute force is not the sole power of communism. Convinced communists exist who sincerely believe in the superiority of their doctrine.

Our international relations with the Soviets are giving us an opportunity of estimating the importance those countries attach, for the purpose of dominating the world, to the effect of their charges against the democratic system as being the source of all evils and the obstacle to the equal enjoyment by all of the goods of life. While the peoples of good will are in all good faith and at all costs co-operating sincerely for the betterment of humanity and for the maintenance of peace, the communist countries are using the United Nations organization as a powerful propaganda medium.

The communist menace is startling not only because distance today is a meaningless word, not only because places whose geographical position yesterday made them invulnerable are now within the range of war weapons, but also because millions of individuals, deprived of the necessities of life, constitute a potential prey to the alluring promises of communism.

It may well be, Mr. Chairman, that the system which has the best chance of surviving is the one that will appeal to those millions of individuals as being capable of promoting their way of life. As the Secretary of State for External Affairs said in this house as recorded in *Hansard* for March 3, at page 425:

> The importance of sound economic and social policies in our relation to communism and to the communist states is obvious, because our strongest long-run defence against communism is wise and progressive social and economic policies.

This opinion is shared, I believe, by all hon. members.

Indeed, Mr. Chairman, in case of an attack military preparation is absolutely essential for the defence of our territory and for the safeguarding of our liberty and security. Essential as it may be, it should not cause us to lose sight of the absolute condition for the creation of peace. This condition, if achieved in all parts of the world, may make that attack impossible and our military preparation unavailing. It is the establishment of an economic and social climate under which each individual may enjoy and exercise his vested right in the goods of life.

Mr. Chairman, in the course of its tenth session, the economic and social council, within the limit of powers placed at its disposal by the charter, has striven in a calm atmosphere of international collaboration and understanding to establish more fully that desirable economic and social climate. The calm which surrounded the council's deliberations was perhaps the calm that precedes storms since indeed it followed the absence of the bitter critics of democracies. At the opening of the session the representatives of the Soviet union, Poland and Czechoslovakia walked out from the council, immediately after their resolution attempting to expel the representative of nationalist China was defeated. The usual propaganda speeches, with their attacks against non-communist countries and the counter-attacks which such charges inevitably provoke, were missing.

The temporary withdrawal of the soviet countries on this issue constitutes a flagrant failure to live up to the obligations of the charter. Member states are entitled to hold and advocate their own views when differences of opinion occur, as in the case of China, about the proper authorities to represent a state. But no member has the right to try to impose his will on the others, by walking out of the meetings, because he has not his own way. Because of the obligations vested in them by virtue of their acceptance of the United Nations charter, it was incumbent upon them to take part in the work of the council in spite of the differences of view about China. It was

evident that the soviet countries were more interested in the propaganda effect of their withdrawal than in the solution of the international problems before the council. A large and important part of the world's population was not represented in the co-operative attempt of the United Nations to better the economic and social conditions of humanity. Nonetheless, under the very able chairmanship of the Hon. Hernan Santa Cruz, representative of Chile to the United Nations, the economic and social council, with a unanimous spirit of understanding, overcame that obstacle to the universality of the United Nations, which is one of the basic conditions for the success of the San Francisco charter, and efficiently performed the task which was expected of it. The agenda before the council was lengthy and varied like the matters falling within its competence, dealing for instance with a universal pattern of road signs, full employment, natural resources, police action against use of narcotics, the world economic situation, and other matters.

This house, Mr. Speaker, might be interested in a brief report on some of the council's achievements during its last session. The most practical project so far undertaken by the economic and social council is the program of technical assistance for the economic development of underdeveloped countries. The potential results of this experiment in international co-operation, in terms of economic and social benefits to millions of people, are tremendous. The concept of international co-operation in the field of technical assistance is not a new one. The United Nations has, for more than a year now, been carrying out a modest program approved by the general assembly and financed within the regular United Nations' budget. Under this program a number of fellowships have been granted to persons from underdeveloped countries, while experts from more highly developed countries have been commissioned to advise governments on specific technical problems.

Canada, as one of the more highly developed countries, is co-operating actively in this work. Two fellows, one from Cambodia, and one from Brazil, are now in Canada following special courses of training in forestry and industrial fuels. Arrangements have been made for a fellow from Pakistan to study water control. A Canadian expert will advise the Mexican government on the re-organization and modernization of its iron and steel industry. The fifteen-man international team of experts who will assist the Bolivian government in an over-all technical survey is to be headed by a Canadian. Other requests for Canadian experts and for training facilities in Canada for United Nations fellows are now under consideration. Those examples illustrate the practical nature of the United Nations program and the way in which Canada has been taking part in it.

The scope of the regular United Nations program of technical assistance is strictly limited. The funds allocated out of the United Nations budget for 1949 amounted to something less than $300,000, and the total for 1950 is approximately half a million dollars. The project has been efficiently administered and the results have been well worth while. However, it is impossible within the framework of this modest effort to do much more than scratch the surface of the problem. It was a sound start but from the beginning it was recognized that something on a much larger scale would be needed if the underdeveloped countries of the world were to be helped to develop their economic resources.

The impetus for a greater co-operative effort in the field of technical assistance was provided by President Truman in his inaugural address to congress in January, 1949. In the now famous "Point Four," the President said in part:

> We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of the underdeveloped areas.

He urged that other countries should pool their technological resources in the undertaking and that the enterprise should be a co-operative one in which all nations would work together through the United Nations and its specialized agencies whenever practicable.

On the initiative of the United States delegation, the economic and social council, at its eighth session, began a study of the actions which the United Nations might take to carry out a program of technical assistance for underdeveloped countries. The secretary general and the specialized agencies were asked to study the problem with a view to determining what part the various agencies of the United Nations could play in an expanded program of technical assistance. When the council met for its ninth session, it had before it detailed reports and plans from the secretary general and the specialized agencies. The project in all its aspects was carefully considered, and a final plan was drawn up, which was submitted to the general assembly and unanimously approved.

The technical assistance program is not intended to provide capital funds for economic development. Its aim is to provide expert advice and assistance, on request, to governments of underdeveloped countries who lack the technical knowledge required to

develop their economic resources. Responsibility for the program as a whole rests with the economic and social council. Between sessions of the council, general supervision will be exercised by the technical assistance committee which is to be composed of representatives of the same governments which are members of the council.

The program is to be financed by voluntary contributions from member governments of the United Nations. The program's fund will amount to approximately thirty million dollars in the first year and it is expected that the United States will make a substantial contribution towards this total. A technical assistance conference of all members of the United Nations will consider the contributions and decide on the allocation of funds to the participating agencies.

The program will include the training of technicians of underdeveloped countries, the loan of experts to recommend what economic development can usefully be undertaken in any area, and the establishment of pilot projects where appropriate.

Application for assistance will originate with the government of the recipient country which must make its own arrangements for obtaining the capital required to carry out the recommendations. The technical assistance fund will be used for payment of salaries of experts, costs of training in technologically advanced countries, and other expenses of the program payable in foreign funds. The estimated total amount required for the technical assistance fund is comparatively small. The most important contribution is the technical "know-how."

The basic principle of the technical assistance program is to help countries to help themselves. There is a great awakening among the people of less advanced areas, especially in the countries of Asia, and a new determination that their standards of living shall be improved. Provision of technical assistance through the United Nations is one way of increasing the economic productivity of these countries and of offering them a helping hand toward the better social conditions which they are striving to reach.

The benefits which will result from this program will not be confined to the areas receiving technical assistance. As their living standards improve, consumer demands will become greater and an increase in the total volume of world trade should be the result. Moreover, it may be expected that a successful program of technical assistance will help to create a more favourable investment climate in underdeveloped areas. If, as a consequence, United States investments abroad are substantially increased, the difficulties at present caused by the chronic dollar deficit in the sterling area would, to some extent, be relieved. A factor which is less obvious, but none the less important, is the opportunity for increasing good will and understanding between the peoples of the more industrialized and advanced countries and the peoples of the underdeveloped areas. The successful development of the program should also discourage economic nationalism and lead to a more extended multilateral system in international trade.

Upon the economic and social council, as the international supervisory and guiding agency, rests the responsibility for making the technical assistance program work. The council is also preoccupied with many other problems, both economic and social. It has for example devoted considerable time to the study of full employment and the measures to achieve and maintain full employment. The problem of unemployment is, of course, primarily the concern of national governments and cannot be solved by shifting responsibility to an international body. Nevertheless there are international aspects to the problem, and neither the cause nor the effect of unemployment is confined within the boundaries of a state. For an exporting country like Canada, the lowering of tariff barriers, the development of a system of multilateral trade, the freer convertibility of exchange, are all of major importance for the maintenance of a high level of economic activity and employment. The continuing study being given to the problem by the economic and social council is, therefore, of genuine interest to Canada.

In the social field, the economic and social council has a variety of interests and responsibilities. Its commission on human rights has been engaged in drafting an international covenant which is scheduled to come before the council at its summer session. The social commission is carrying out programs of work in housing and in town and country planning, in rehabilitation of the physically handicapped and in family and youth welfare. Other commissions are carrying on useful work in such fields as taxation, statistics and narcotic drugs. An international convention relating to refugees and stateless persons has been drafted by a special committee. A working group has made a survey of the continuing needs of children and its report will be submitted to the council with a view to determining what measures the United Nations can usefully take to improve the lot of the world's underprivileged children.

In addition to a host of other activities, the economic and social council also acts in the

capacity of a co-ordinating body for all the specialized agencies of the United Nations and it provides the means of consultation between international, non-governmental organizations and the United Nations.

(Translation):

The major part of the 10th session of the economic and social council was devoted to economic matters. Because the problems of this category are so closely related, each was dealt with as a point in a general discussion noted for the conscious responsibility and the spirit of co-operation which were significantly displayed. This general discussion shed new light on the imperative need of finding an international solution to present day pressing economic problems. Never, in my opinion, has the interdependence of the various economic areas of the world and of their individual problems become more obvious; in fact, it was no longer possible to establish an order of priority among these areas or problems.

The economic and social council has undertaken to find, in the shortest time possible, a solution to some problems whose international angle has, admittedly, long been neglected. It is not possible to assess, at the end of each session of the council, what progress has been achieved.

There is, however, one undeniable fact calculated to hearten the sceptical. It has been possible, in the economic field at least, to attain international co-operation and positive results despite the reticent, crafty and obtructionist methods of Soviet Russia's representatives.

At the end of the 10th session of the council, the chairman, the Hon. Hernan Santa Cruz, delivered a remarkable speech, of which I would like to quote an excerpt with your permission:

> Delegations at the meeting of the council have shown that when ideological intransigence is put aside, there exists a basis of understanding and co-operation in spite of the differences between nations, which stem from the degree of economic, politic and social development achieved by each. Those delegations have magnificently availed themselves of the opportunity of giving to public opinion the world over a clear indication that co-operation and constructive efforts are possible in the international sphere.

In conclusion, Mr. Speaker, I wish to say a few words about the Canadian delegation.

This house certainly does not expect me to belittle the value and efficiency of the contribution made to the work of the council by the delegation which I headed. I am happy to state that the delegation's contribution was a most useful and active one and earned it a flattering reputation. With your permission, Mr. Speaker, I wish to pay tribute to the devotion and knowledge of the officials who made up that delegation.

Allow me to name Mr. Sydney Pierce, associate deputy minister of trade and commerce, Dr. George Davidson, deputy minister of national welfare, Mr. Sidney Pollock, of the Department of Finance, Messrs. John Holmes, Bruce Keith, George Grande, Jean Côté, of external affairs, and Major Pierce-Goulding, of the Department of National Defence.

This was a most excellent team indeed, one which at all times applied itself diligently to its work and upheld Canada's excellent reputation at the United Nations.

As a matter of fact, in spite of certain adverse factors—such as a small population dispersed over a huge area, our two racial groups, our federal system made up of a central government and ten provincial governments with full sovereignty within the limits of their jurisdiction, and the irresistible appeal of our powerful neighbours—Canada has conquered a leading place in the world.

This enviable reputation we owe, among other things, to the wise policies of our Prime Minister (Mr. St. Laurent) and of his predecessor, who have taken advantage of characteristics that are peculiar to Canada, such as our dual culture (English and French), our two official languages, our abundant natural resources, our allegiance to the Commonwealth and our friendly relations with the United States.

I have been very pleased to note that the Canadian government and, in particular, the Prime Minister and the Secretary of State for External Affairs (Mr. Pearson) are held in the same high esteem and consideration at the United Nations as they are at home.

(Text):

Item agreed to.

International joint commission—

82. To provide for preliminary studies and surveys of the midwestern watershed (revote), $10,000.

Mr. Drew: In regard to this vote a question now arises in connection with the appointment to the joint commission, does there not?

Mr. Pearson: Yes, there is now the question of an appointment to the joint commission because of the decease of Mr. Glen.

Mr. Drew: In relation to that may I say that I strongly urge when the appointment is made it shall be an outstanding practising engineer. The representation from the United States on that joint commission is of a standing that undoubtedly indicates their belief in its importance. Because of the various new problems that have arisen I believe that in the best interests of Canada the person appointed should be an engineer, and an engineer who has been actively practising that profession right up to the present time and up to the time of his appointment.

Mr. Pearson: I agree with the hon. member that the Canadian membership on this very important commission should be of the highest calibre. I am not prepared to agree with the hon. member that the calibre of Canadian membership in the past has been lower than that of the United States side of the commission.

Mr. Drew: I am not seeking to make any invidious comparisons. I was pointing out that the United States, by the nature of the appointments on their side, has obviously accepted its importance. I was further pointing out the newer problems that have arisen and expressing my hope that when the position that has unfortunately become vacant is filled it will be filled by an engineer of the highest standing, an active practising engineer who will be in touch with all the latest engineering developments.

Mr. Knowles: Can the minister give us any more information than was given earlier in the session with respect to the powers of the international joint commission in relation to our problem in connection with the Red river? I have in mind two general questions. On the one hand, what is the extent of the field in which the international joint commission can make recommendations or take action? Is it limited to the Red river itself, being a river that is international, or can it make recommendations with respect to tributaries to the Red river that might be wholly within the United States or wholly within Canada but which do have a bearing upon the situation such as the flood we had this year?

The other type of question that is in my mind is this. Has the international joint commission any funds for proceeding with any project between now and the next session of parliament that it might decide upon? If not, is there any way in which it can recommend the expenditure of funds by other bodies that might have the money?

Mr. Pearson: On the point which has just been raised I made quite a lengthy statement in the committee on external affairs as to the jurisdiction and powers of the international joint commission. It may be that the hon. member has read that statement; if not, it goes into the matter in greater detail than possibly the committee would like me to go into it at this moment. The power of the international joint commission springs of course from the boundary waters treaty between Canada and the United States. The commission's function under that treaty might be summarized in regard to the matter the hon. member has brought up as follows: It has compulsory jurisdiction in instances of diversion, obstruction and new uses affecting the natural level or flow of water along or across the international boundary. The commission has power only to make recommendations to the governments, as my hon. friend knows. If we desire it to have any other power then it can only be done by extending its present powers under the act.

As has been pointed out, the commission has no permanent engineering staff of its own. When references ad hoc are made to it, for carrying out this investigational work usually technical staffs from the two governments of the United States and Canada are made available. But it has no authority to deal with problems that are exclusively within a province or within a geographical area of one country or the other.

Mr. Knowles: Can the minister say a few words further on the other question I asked? I am the last one in this committee, Mr. Chairman, who wants to get out of order, but what is in my mind, if I may say it, is that the other day we passed a vote in the estimates of the Minister of Finance amounting to a million dollars for certain damming works along the Red river. I was wondering what would be the situation if the international joint commission were to recommend some works in relation to the Red river that required more money than has been voted in that estimate. Has the international joint commission any power to draw on any funds at all from one country or the other or from both?

Mr. Pearson: It is my understanding that the joint commission would have no power to draw on any funds from that vote or a similar vote.

Mr. Knowles: In other words, if they made a recommendation then in so far as the expenditure of money is concerned they would have to go through the usual channels.

Mr. Pearson: Yes, I think that is correct; the money would have to be provided by the governments of the two countries to carry out the recommendations.

Mr. Adamson: I would like to concur in the suggestion made by my leader with regard to the international joint commission appointment of an engineer. I would most strongly urge the minister that an engineer, preferably a hydraulic engineer of the highest possible standing in the Canadian profession, be appointed as chairman of the Canadian section of the international joint commission. The problems are primarily hydraulic ones. They have to do with flows of rivers; they have to do with the problems that are peculiarly germane to the training of a hydraulic engineer. I would strongly urge that that be done.

What negotiations are being carried out with regard to the waters of the Columbia river? I am not a member of the external affairs committee. If it has been given in detail in the committee perhaps the minister will tell me so and I will not take up more time.

Mr. Pearson: There is a reference before the commission covering the Columbia river. Under that reference extensive investigations are proceeding which include aerial reconnaissance, hydrographic mapping, establishing of gauging stations, ground water investigation, establishment of precipitation stations, and exploration of damsite and storage possibilities. Therefore the commission is very active at the moment in regard to this reference.

Mr. Adamson: I am glad to have that information. In view of the fact that this work is being done on the Columbia river, which is in part wholly within the confines of Canada and in part wholly within the confines of the United States, I suggest that immediately the question of the development of the St. Lawrence should be taken before that commission. Here we are dealing with the Columbia river—and I am sure there will be tremendous benefits to both countries—and I am suggesting that immediate pressure should be put on for a study and for the development eventually of the international section of the St. Lawrence river.

Mr. Stuart (Charlotte): When may we expect a report on the Passamaquoddy tidal projects?

Mr. Pearson: The board filed its final report with the international joint commission on March 17. The terms of the report, as well as the representations to the two governments, are before the commission now for consideration. As a matter of fact I believe they have been given initial consideration.

Mr. Blackmore: I should like to ask about the use being made of the international joint commission in connection with the Winnipeg flood. It has been rumoured that a good deal is being required indirectly of the commission in connection with the Red river flooding. Is that so?

Mr. Pearson: The responsibility of the international joint commission in this connection is only that of an international agency in respect of matters affecting both countries. As has already been indicated, the government is establishing a separate agency to concern itself with the purely Canadian aspects of this problem. The international joint commission will not be concerned with that aspect of the problem, because it is an international body. The separate agency will deal more particularly with the question of what might be done in future to prevent a recurrence of the recent flood.

Mr. Blackmore: As the minister knows, the international joint commission is now occupied with an exceedingly important matter involving four international rivers of southern Alberta. I suggest they should be able to give their undivided attention to that problem until they have arrived at a solution.

Item agreed to.

DEPARTMENT OF JUSTICE

133. Departmental administration, $270,421.

Mr. Stewart (Winnipeg North): Mr. Chairman, I am searching for information, and it may also be a case of searching for justice. Has the minister received at any time a communication from Constable J. E. Keays, a provincial constable of Ontario?

Hon. Stuart S. Garson (Minister of Justice): Mr. Chairman, I do not recall the name, but, inasmuch as we have a large volume of correspondence in the department it is conceivable that it might have come in without coming to my attention. I shall make inquiries.

Mr. Stewart (Winnipeg North): I know nothing at all about the case, except that Constable Keays some time ago in the course of what he considered to be his duty made a report which apparently reflected upon his superiors. A proclamation was issued in Ontario on January 6, 1949, as follows:

> Now know ye that we, having and reposing full trust and confidence in you the said J. Keiller Mackay do hereby appoint you to be commissioner to inquire into and report upon any charge or complaint made against any police officer, or public official, in a report made by Provincial Constable J. E. Keays, dated the thirtieth day of October, 1948, addressed to the Commissioner, Ontario Provincial Police, Toronto, Ontario.

As I read this the terms of reference were that the commissioner was to inquire into and report upon "any charge or complaint

made against any police officer, or public official". I am informed that the commissioner's recommendation was that Constable Keays be dismissed from the service. If that is so, then I should think he was overstepping the bounds of his commission.

Constable Keays maintains that he has not been dismissed. Furthermore, he is going around in uniform. If that is so I suggest it comes within the jurisdiction of the Minister of Justice, because, according to the terms of section 169 of the Criminal Code—

> Every one who falsely represents himself to be a constable or other peace officer, or who, not being a constable or other peace officer, makes use of any badge or article or uniform or equipment—

And so on.

> —is liable upon summary conviction to a fine not exceeding one hundred dollars and costs, or to imprisonment for a term not exceeding three months, or to both such fine and such imprisonment.

I gather that Constable Keays wishes to have his position clarified. He has a letter dated December 14, 1948, saying that he is on leave of absence. Yet an order in council was approved by His Honour the Lieutenant Governor of Ontario on July 14, 1949, in which Constable Keays is told that he is dismissed.

Constable Keays argues that that is in violation of the law. He states that there is no legal justification for his dismissal, until the law is complied with. In other words he states he has to be given notice in writing that he is going to be accused of certain offences. Then the case will be decided, and he may be retained or dismissed.

What I am trying to establish is justice for Constable Keays. I should like to know what his status is. Is he still a police constable or has he been dismissed? If so, what is the Minister of Justice doing in view of the fact that Constable Keays is still allowed to wear a police uniform? Can the minister give us an opinion under the law concerning the rights of the individual concerned?

Mr. Garson: I should be glad to accommodate my hon. friend, but I am under the distinct impression, from the facts he has laid before the committee, that this provincial constable, an employee of the province of Ontario, comes under the jurisdiction of the legislature of that province, and that this is a matter with which we in the Department of Justice have nothing to do.

It is true that the Criminal Code is a federal statute, but its administration is in the hands of provincial attorneys general.

[Mr. Stewart (Winnipeg North).]

I think therefore I cannot help the hon. member very much, since I think the representations he makes are those which might more properly be made from the floor of the Ontario legislature.

Mr. Diefenbaker: I should like to secure the opinion of the minister in a certain matter. I refer to the matter of drunken driving I raised some time ago in connection with an amendment to the Criminal Code. I am not going into the same details I went into on that occasion, but a number of articles have come to my hand since I dealt with the subject and the amount of correspondence I have received from every province has been most extensive.

I mentioned the two or three tests that could be made in connection with suspected drunken drivers. These include the blood test, the breath test and the chemical test. A particularly good article on this subject is to be found in the July *Woman's Home Companion* where the matter is dealt with at length and where additional evidence is to be found to that compiled in the article which appeared in *Maclean's* magazine.

There is only one reference I intend to make in addition to those I made previously. There are those who fear that the taking of a breath or blood test would be an infringement of the personal freedom of an individual. That argument might be advanced as far as the blood test is concerned, but no force is required to take a breath test, which test has been used in several jurisdictions. All three tests have been endorsed by the American Medical Association as well as by the national safety council of the United States, a body which is charged with the responsibility of endeavouring to reduce the horrors created by persons driving on the highways when intoxicated. These tests have also been approved by the American Bar Association which is representative of the outstanding lawyers of the United States after it had made a considerable investigation as to the efficacy of the test.

When I spoke last I said that one or other of these tests was in use in eleven states. However, I do not think I could find a better example of how effective such tests can be than to refer to the results of their application in Detroit, Michigan, a city known for the number of motorcars operated within its limits. The Michigan state police commenced using a testing machine—I shall not advertise it by giving its name—in 1947, and the tests have proved most effective in Detroit where the campaign against drunken driving began in 1947 with the use of drunkometers. Since that time there has been a sharp

reduction in accidents. In 1948 the total number of fatal accidents attributable to drunken driving was three, with 120 injuries. The number of fatalities was reduced by 93 per cent in six years and the number of injuries by about 90 per cent. The estimate is that the program has saved at least 50 lives each year in Detroit.

Some may want to know how that came about, whether it was due to stricter enforcement. The conclusion of the Michigan police force is that it is brought about because people realize that they will be subject to a breath test. When such a test is taken there is no doubt about the guilt or innocence. If a man smells of liquor and advances the defence that his condition is due to shock as a result of the accident, a defence that is advanced quite often, one being noted in the Montreal papers of yesterday—

Mr. Smith (Calgary West): Almost invariably.

Mr. Diefenbaker: As the hon. member for Calgary West says that defence is almost invariably advanced and he has had long experience on the side both of the crown and of the defence. Such a test removes the possibility of a defence such as that being successful. It was interesting to note the other day what happened when I tried to find out how many convictions for drunken driving there had been in this country. The Minister of Justice did not have this information so they had to turn to the Minister of Trade and Commerce who is in charge of the bureau of statistics, but without success.

The last records I have—the minister will have later records although I was unable to get them—are to be found in the 73rd annual report of statistics of criminal and other offences for the year ended September 30, 1948. This shows that the number of convictions for driving a car when drunk increased from 1,155 in 1945 to 1,898 in 1946, with a decrease to 1,481 in 1948. I am not going into the mass of information on the subject that has come to my hands, but as a result of the general discussion there has been on this subject almost every outstanding newspaper in Canada gave support to the need of something being done to prevent the colossal death losses due to drunken driving.

For the benefit of those who are interested in studying the subject, one of the best discussions of it is to be found in an address delivered before the provincial committee of the accident prevention association of Ontario at the Royal York hotel, Toronto, on February 23, 1950, by Professor R. N. Harger of the department of biochemistry and toxicology, Indiana university, a man who is recognized in all articles I have read on the subject, and in every book on toxicology dealing with the subject, as the outstanding authority in the United States.

Mr. Carroll: Are there any statistics which would indicate to us the number of deaths due to drunken driving?

Mr. Diefenbaker: The only statistics available are estimates made by the association of chiefs of police. That is the only basis upon which one can determine the question. They accept available statistics as to the numbers who were killed in Canada last year, and then they estimate the number whose deaths in automobile accidents were directly attributable to drunken driving. It was those figures I placed before the house on a former occasion, and for the sake of brevity I am not going to refer to them now. The question asked by my hon. friend, with his long experience as a judge, is a most searching one. It is obvious that no one could go further than to arrive at an approximate estimate of the numbers. Certainly on the basis of those figures the number who died in Canada last year in consequence of drunken drivers being on the highways exceeded by five or six times or more the number who met death through either murder or manslaughter.

I do not want to overstate or overdiscuss the problem, but I feel it is one that deserves the serious attention of the minister. It is one against which arguments will be advanced. I am not going into the chemical arguments now although I am in a position to do so. There are those who will say that it means some invasion of one's liberty. Looking at it from the point of view of one who, with few exceptions, has invariably been engaged on the defence side, my answer is that I do not believe any question of the liberties of the subject arises when a person who has been in an accident which was obviously due to his negligence, and who apparently is under the influence of liquor, is asked to breathe into a balloon with a view to determining once and for all the question whether or not the degree of his intoxication was such as made it dangerous for him to be on the highway. More than that I will not say.

A vast amount of correspondence, I might say, has come to my hand on the subject. I have had hundreds of letters, and not one per cent have raised any question against the application of those rules that have meant the lives of many people being saved from avoidable and wanton death. I believe in personal liberty, individual freedom and the rights of the accused, but as I see it no man has a right to raise the defence that his liberties are going to be interfered with by

asking him to do a thing which will mean the application of no unnecessary force to his person, will give him an opportunity to establish his innocence if he is innocent, and on the other hand will not allow the parade one sees today in the courts of this country of those who, stumbling and staggering after an accident has taken place, find that there is no part of the Criminal Code more honoured in the breach than in the observance in so far as conviction is concerned.

Mr. Smith (Calgary West): I want to say a word on this subject largely in support of what has just been said by the hon. member for Lake Centre. One only has to go a few years back to a time when the question whether or not a man was intoxicated was settled rather simply. We took the word of the police officer, the neighbours or witnesses to the accident. Then a development took place. Respect for the oath lessened in this country so that—and I speak from experience—a situation developed where witnesses were prepared to say that they were in the motorcar, had spent the afternoon with the individual charged, and the number of beers was always two. Later on, as the party broke up and they went home, he had a sip from some other fellow's glass. I heard that until I was sick and tired of hearing it.

As we progressed in these smart defences, we found that there was always a doctor friend around the corner who made an examination and found that the man was suffering from shock. So a doubt was cast on the condition of the accused person, and our courts quite properly gave the benefit of the doubt, as it belonged, to the accused. We are making many changes, if not advances. For example there is psychiatry. I know of a drunken driving case where the defence was advanced that just at the time of the accident the driver had a psychosis. It had not recurred for forty years, but it occurred at that moment.

I like the definition given in one case by a judge who was at one time chief justice of the Supreme Court of Alberta. Psychiatrists from all over this continent were in attendance, and I mean the top fellows. We did not bother with the chaps who had just come out of university. Of course we had no difficulty getting psychiatrists on one side, and the other people had no difficulty getting them on the other side. This man, who I think was a great judge, said, "What do his neighbours think? They are the people who know whether or not the man is crazy." That is the way matters involving insanity were decided, certainly within the memory of myself and the hon. member opposite who spoke a moment ago. So in these drunken driving charges we come to this, that we have got into a matter of science to ascertain whether or not a man is drunk. The neighbours know, but they will not tell us.

Then, there is the necessity of distinguishing between shock and drunkenness. I do not care who the doctor is; he has a nose the same as the rest of us and when he smells liquor one would think the first thing that would occur to him would be: perhaps this fellow is drunk. No, that is not it. They say that has not anything to do with it. He is suffering from shock. They say, would you not suffer from shock if you saw someone lying on the road with his legs broken and his head bashed in? Of course you would. I have been watching these scientific analyses for some considerable time. I have always thought what a wonderful thing it would be if those things really worked. I think the developments of the last few years as explained by the member for Lake Centre, particularly the experience of the city of Detroit, have established the fact that they are scientific and they are correct. I believe the blood test is perhaps the more sure of the two I have in mind.

There is some talk about the liberty of the subject. All you are asking a man to do is to breathe into a balloon. I would not worry much about that, even if he refuses. We might start there, and if necessary interfere with his liberty later. If a man is asked to breathe into a balloon and says, "no, I will not do that because that is interfering with my liberty; I breathe where I please," all right; in the police court I say to him: "You would not breathe into that balloon?" "No, my liberty was at stake." "The accident victim has not got any liberty; he is dead. If you are as innocent as you say you are, why did you not establish it by breathing into the balloon?" My point is that I think we should perhaps begin in that way, and if that proves to be unsatisfactory I agree with the member for Lake Centre that talk of that type, that it interferes with personal liberty, is nonsense. Advantage is taken of it to absolve people from the consequences of their drunken acts.

Mr. Garson: Mr. Chairman, the member for Lake Centre has raised here today, as he raised on the discussion of the Criminal Code amendment, a matter of the greatest importance. I think it is quite in order for us to discuss this subject on this occasion whereas on the former occasion I thought then, as I still think, it was not proper to do so. I am happy he has mentioned it again today, because it enables me to reply to some of the points he made that I must regard as being erroneous.

First of all, I should like to make the position of the Department of Justice quite clear. With the necessity for some method of preventing drunken driving no one will disagree, certainly no one in the Department of Justice. With the devices to which my hon. friend has referred, we do not disagree either. We have had the commission which has been considering a revision of the Criminal Code look at these various methods, and it has been found that the employment of them on a proper basis which is consonant with British justice is much more difficult than many people think, and much more difficult than any of the remarks of the member for Lake Centre would indicate. We find it most difficult to reach a really conscientious opinion, that type of conscientious opinion which should be the basis of any legislative amendment to provide for the adoption of a blood test, a breath test, or a urine test. I want to emphasize that, particularly at the present time, we have not in any way prejudged the question. Any remarks I make today should not be considered as being in opposition to these tests; but I think that the members of this committee will not have a clear picture of both sides of this problem if some mention is not made of the opposite side to that which has been presented by the last two speakers.

Mr. Smith (Calgary West): I saw them last week, and I converted them.

Mr. Garson: If my hon. friend did convert them that problem is solved, but I doubt it. One of the best articles upon the subject is a reprint in the *Canadian Bar Review* of December, 1948, of an address delivered before the American Medico-Legal Congress of St. Louis, Missouri, January 19, 1948, and of lectures on medical jurisprudence and toxicology, McGill university. I shall not attempt even to abridge this article, because it is quite a lengthy one. All the merits of these various methods of testing for drunkenness are examined in detail. I should like to quote a few of these statements to indicate that scientific opinion on this subject is by no means in agreement. One of the conclusions reached by the author of this article, a medical doctor who specializes in medical jurisprudence, is this:

> . . . a technician, except under most careful supervision of an expert chemist alert to all the pitfalls, has no place in a medico-legal laboratory, in so far as tests for alcohol are concerned. Only the most careful attention to all the details of the test, from the time the material is being collected to the completion of the analysis, may prevent the lodging of an innocent person in jail . . .

Then there are the arguments which have been advanced by my hon. friend with regard to the liberty of the subject. No one more than he in this house has been interested in the liberty of the subject, and I am sure that we would not expect from him any attacks upon that liberty. It is my view, for what it is worth, and in this I am in complete agreement with the last two speakers, when any citizen gets himself into a condition of insobriety of any degree and then sets out to drive a car and an accident supervenes, then whether or not he is drunk, he is the last person who should be able to invoke the liberty of the subject in refusing to comply with a test which might be sought to establish his condition. It is not so much a question of whether we are infringing upon the liberty of the subject as a question as to the scientific adequacy and the scientific accuracy of those tests.

As I said before, I do not want to detain the committee with even a résumé of this article; I wish only to indicate that it ends with the conclusion that these tests cannot be relied upon, and that one cannot be sure that innocent people are not being convicted when they are employed. It is also in order to show that the author is by no means alone in the views which are outlined in this statement. He states this in his article at page 1459 of this issue of the *Canadian Bar Review*:

> In contrast to the enthusiasm of the prophets of chemical tests of drunkenness, Carlson, the physiologist in the United States, warned that there is no single test or criterion for the degree of alcoholic intoxication that has the implication of drunkenness. Newman and Fletcher stress the fact that the idea the law has in mind is to punish drunkenness and not drinking, and warns against unfair convictions possible with the 0·15 per cent rule (1·5 parts per 1,000). In England, the late Sir Bernard Spilsbury, one of the world's greatest medicolegal authorities, warned that "drunkenness cannot be boiled down to a test." Sydney Smith and Glaister, among the leading toxicologists and medicolegal experts in Scotland, warn that "chemical analysis of blood, urine and expired air does not yield information on which alone a diagnosis of alcoholic intoxication can be made or rejected."

Mr. Smith (Calgary West): When was he quoting Spilsbury? He has been dead for ten or fifteen years.

Mr. Garson: No, not that long. To continue:

> McGrath, in Ireland, warns against hard and fast limits of blood alcohol concentration. It is "evident," he states, "that blood alcohol estimation does not provide an automatic answer to the question: Was the individual drunk? The blood alcohol concentration is a far safer guide to the person's condition than even definite evidence (so often difficult to obtain) as to the amount of alcohol actually consumed, since it short-circuits and eliminates the relatively uncertain factors of absorption, metabolism and excretion. The courts, therefore, might reasonably regard the amount of the blood alcohol as being more helpful and cogent than proof of the amount of alcohol consumed. But, in all cases, it is still necessary that all circumstances of the cases including an efficient physical examination, should be taken into account when assessing the relative degree of alcoholism present.

Then he goes on to quote Hoffman and Jetter and draws this conclusion:

. . . "the blood alcohol determination in practice can never indicate with absolute certainty that the accused is under the influence of alcohol." In Canada, the late Professor A. T. Cameron, of Winnipeg,—

Who did not die ten years ago, but recently.

—warned that blood alcohol should not be rigidly interpreted to indicate whether or not a person was under the influence of alcohol but can properly be used as additional contributory evidence.

Mr. Smith (Calgary West): I never knew he was alive either.

Mr. Garson: I continue:

With this, Magone and Frankish, of the attorney-general's department in Ontario, agree.

Mr. Magone being, I understand, deputy attorney general of Ontario.

Mr. Fleming: And a good one, too.

Mr. Garson: I continue:

"Clinical findings," they state in their book, "should correspond in general with the alcohol content determined by blood analyses, and it is submitted neither shall be disregarded."

I cite these quotations not to indicate in any way that our department or the commission which is looking into this matter is, on the basis of evidence of this sort, opposed to the adoption of the test; but as I understood my hon. friend's case when this matter first came before the house this year when we were advocating certain amendments to the Criminal Code, he said we should not be bothering with the trivia which were contained in the amendment which was submitted to the house but that we should be dealing with the more important things and it was overdue that we should bring down an amendment providing for these tests for drunkenness.

I agree, and our conduct so indicates, that this matter deserves the careful consideration which we are giving to it. But notwithstanding the *Woman's Home Companion* article that my hon. friend referred to, I do not think that this test is nearly as open and shut a scientific matter as his remarks would indicate. When we say that it requires more consideration before we reach a conclusion upon which we base an amendment to the code to be submitted to this parliament, I think we are taking a perfectly reasonable attitude. That attitude is the more reasonable because of the fact that the statements which were made by my hon. friend as to the present condition of the law, the present number of acquittals, the present loopholes in the law and so on are quite inaccurate as I shall now prove.

When I listened to my hon. friend on this previous occasion, and had in mind the some twelve years that I spent in the Manitoba cabinet, to which appeals for remission in matters such as this were continually coming, and the fact that while I was there I acted for quite long periods on occasion as acting attorney general and in that connection obtained personal experience and knowledge of the matters I am now going to discuss, I could not help but feel that it was a long while since I had heard such an absolute travesty of the facts as that which was presented on that occasion.

Mr. Diefenbaker: Of course, Mr. Chairman, that statement is quite non-judicial and quite improper. The statistics that I presented were as I said, from *Maclean's* magazine and from the police officers of this dominion. As a matter of fact, when one asks for the records, one finds out how interested the department is when they have no records available, according to the answer given the other day, since 1948.

Mr. Garson: The statement that I made was rather a severe one, Mr. Chairman, and now I am going to prove that it is true. What my hon. friend said the other day was this, as reported at page 2960 of *Hansard*:

Yet we go on year after year, with the Criminal Code unchanged, the minimum penalty being seven days and the percentage of acquittals particularly high—

That is a straight categorical statement of fact.

—because in many cases the crown is unable to establish guilt. The defence can always be raised that there has been a leak in the pipe in the motor, and the man has suffered from carbon monoxide poisoning, or he has had a heart attack or some other seizure.

Or as the hon. member for Calgary West said, that he had two beers, and evidence of that type. Then he goes on:

I am one of those whose experience over the years has been largely for the defence. Nevertheless, I believe there is no section of the criminal law that is more evaded and circumvented than the provision against drunken driving. Indeed, as the law is today, there is nothing of a deterrent in the possibility of receiving a sentence of seven days in jail when any person desiring to break the law must realize that the possibility of conviction is next to nothing.

Mr. Diefenbaker: That is right. They charge them with reckless driving.

Mr. Garson: My hon. friend continues:

However uncertain a person may be, however much he may smell of liquor, however terrible the accident in which he has been involved, there are in the law as it stands today so many loopholes—placed there not by the accused but by parliament—that I feel it should be strengthened.

When I listened to that statement, as I said, it was so completely at variance with my own personal experience that I immediately wrote a letter to the deputy attorney

general of the province of Manitoba to see if I had lost my memory. In order to bring this up to date, to take care of this modern development in perjury—perjury is not too harsh a word—to which the hon. member for Calgary West refers, I asked him to give me the figures for the last completed year in the province of Manitoba. I think I should read his full letter into the record because I do not want to make any misuse of the statistics, and I want the figures to have the explanation that he gives to them to support them. He says:

I think the figures which I will give demonstrate that in so far as we in Manitoba are concerned no difficulty has been experienced in prosecutions under section 285(4) of the code.

As we do not keep statistics I had to secure these figures from the city police court and the Royal Canadian Mounted Police. They cannot, of course, be taken as covering the whole province as they will not include prosecutions by local police forces.

What I suggest, and I am sure my hon. friend will agree, is that the percentages of prosecutions and convictions for an offence of this kind will be on a higher rate in metropolitan Winnipeg—and those are from the provincial and city police courts in Winnipeg—than they are likely to be in the rest of the province.

Mr. Diefenbaker: I quoted from the chief justice of Manitoba. If the minister is going to read this letter he should also read the letter he wrote so we would know the circumstances connected with the letter.

Mr. Harris (Grey-Bruce): I never heard of a rule like that.

Mr. Garson: I continue:

However, they can be taken as covering the great majority of cases in this province and hence give a good indication of the situation which prevails. As the city police court keeps its records for the calendar year and the mounted police for the fiscal year, the periods covered by each are not the same.

I want to make that qualification.

Here are the records: in the city of Winnipeg police court for the year 1949—and I asked for the numbers to compare them with the statement of my hon. friend that there are a large number of acquittals on these offences—number of prosecutions, 88; convictions, 81; acquittals, 7; percentage of acquittals, 7·95.

Mr. Diefenbaker: That is all right.

Mr. Garson: Royal Canadian Mounted Police—

Mr. Smith (Calgary West): Is that the total number of those charged in one year in Winnipeg?

Mr. Garson: That is right.

Mr. Smith (Calgary West): They charge them with reckless driving.

Mr. Diefenbaker: That is what they do. That is the difficulty.

Mr. Smith (Calgary West): Only 100 men charged with being drunk while driving cars in a year in Winnipeg. There are that many in a week.

Mr. Garson: I am now referring to the number of prosecutions in the police court. Number of prosecutions, 64; acquittals, 5. In other words, out of all the police courts in the city of Winnipeg there were 12 acquittals in one year, and my hon. friend says that the law is full of loopholes and cannot be enforced.

I should also point out he says that the figures given cover not only drunken drivers but also persons accused of having care of cars while intoxicated.

Mr. Diefenbaker: That is the same thing.

Mr. Garson: Then, with regard to the question whether our present penalties are severe enough, in all fairness to my hon. friend, if I understood him correctly, and he will correct me if I am quoting him wrongly, I think he agreed himself that the present penalty of seven days in jail is quite severe and, if I understood him correctly, tends rather to prevent convictions than to secure them. But at any rate here is the information in the letter of the deputy attorney general:

The consequences which follow conviction under section 285(4) have always seemed to me to be severe enough. In addition to the imprisonment which may be imposed our Highway Traffic Act calls for impoundment of the convicted person's car for a period of three months, and suspension of his driver's licence for a period not exceeding six months for a first offence.

And that, Mr. Chairman, is mandatory. The magistrate has no authority but to impose it. I continue:

Under subsection (7) of section 285, the court may make an order prohibiting the convicted person from driving for a period not exceeding three years.

If the procedure is by indictment the minimum term of imprisonment may be thirty days. One of the other statements that my hon. friend made—

Mr. Diefenbaker: Before the minister goes on I would like him to read the letter on which the one he just read was based, because I read from the letter of the chief of police of Winnipeg, and his view was different from that of the deputy attorney general. Would the minister read the letter he wrote?

Mr. Garson: If my hon. friend wants it, here it is. I hope he will not complain or call this unparliamentary, because he is the one who asked for it.

Mr. Diefenbaker: That is all right.

Mr. Garson: I quote:

Dear Andy:

Could you, without too much trouble, get for me particulars of the number of prosecutions for drunken driving; the number of acquittals; the number of convictions; the number of cases in which the accused, upon being convicted, had his car impounded for three months or more; and the number of cases in which the conviction was remitted by the board of remission or by the cabinet.

I think that in all frankness I should disclose to you my purpose in seeking this information. In a debate in the house yesterday, John Diefenbaker made the following comments upon the subject of drunken driving.

I have read the remarks to the committee already. I continue:

I certainly do not think that this is a fair representation of the administration of the sections of the Criminal Code or of the law generally relating to drunken driving in the province of Manitoba where there is good administration of the law; and by way of doing a little boasting about my province, I would like, when I get on my estimates, to just explain to the House of Commons how the law is administered in Manitoba; and incidentally, show how it could be administered in any province whose attorney general desires to administer it properly.

Mr. Smith (Calgary West): Good old Andy!

Mr. Garson: I continue:

If you can give me any information that would be of help in this connection I would appreciate it very much.

In this connection, by the way, I would be glad to have your personal views as to whether you think that an amendment to the present sections dealing with drunken driving is necessary and what form it should take. My own impression is that in those provinces, and I dare say they exist, where the enforcement of the present provisions is extremely lax, we would have no reason for supposing that the enforcement of any stricter provisions would be any more efficient; and indeed the enforcement might be in the inverse ratio to the severity of the provision.

Yours sincerely,

I want to say that I would not have read the letter if my hon. friend had not asked for it.

Mr. Diefenbaker: It is a nice compliment to yourself.

Mr. Garson: Just to indicate that it is by no means an isolated matter in Manitoba, may I say that if anyone takes the very figures which my hon. friend was quoting from, namely, the statistics on criminal and other offences, which is a break-down for Canada as a whole, he will see that the very item he was quoting from, namely, prosecutions for drunken driving, in 1948 for Canada as a whole amounted to 1,746. Of that number there were 265 acquittals and 1,481 convictions. It is rather significant—

Mr. Diefenbaker: How many of the 1,481 pleaded guilty?

Mr. Garson: There is no record of that.

Mr. Diefenbaker: That is the information we must have.

Mr. Garson: In all these cases there were 1,465 jail terms, indicating two or three things: first, that contrary to what my hon. friend says the present section of the code is enforceable. In cases where charges are laid a very large percentage of convictions is secured without any breath tests or blood tests or any outside assistance, and that in connection with these matters the accused is not let off with a fine but is sent to jail.

I make these points to indicate that the present law is not without its merits if it is properly enforced. Take the average man of moderate respectability. Some may say that it is a matter of indifference to him whether he goes to jail; but any one of us knows that for a man with any standing in the community at all who has never seen the inside of a jail and who never would in his lifetime for any other reason, to have to spend seven days there, and have his car impounded so that no one can use it for a period of three months, and lose his licence for six months—that is a very severe penalty.

As a matter of fact when we recently polled the attorneys general of the provinces to see whether they wished to have the present minimum sentence maintained or relaxed about a third of them felt that this minimum sentence in jail, with all the social and other implications it has, was such a severe penalty that in some cases its severity might make it difficult to secure convictions. They pointed out that it meant that a man who might have a respectable position in society, and who misconducted himself only once might be ruined.

I myself took such a case to the Manitoba court of appeal. This was the case of a man with a long seniority on the railway. It was not one of drunken driving but just of being drunk in a public place. I applied to the court of appeal in my province asking them to try to find on the evidence, on a point of law, that the place in question, which was a general store after closing hours, was not a public place. They could not so find, with the result that the man lost his seniority, and lost his job at a time rather late in his life.

I am not suggesting, not for one moment, that we should not consider these matters of breath tests, blood tests and so on. But I ask: Even if we do adopt these blood tests,

what purpose will they serve except to establish convictions in respect of charges laid? And there is no evidence from the figures we have before us that when charges are laid there is a very high percentage of acquittals. In Manitoba it is less than eight per cent.

So that if law enforcement officers really want to enforce the law and stop drunken driving, they have a pretty good instrument at their hands right now. And I suggest they may not have a very much better instrument if they introduce these blood tests. I am not for one moment saying that we should not introduce these tests, but what will that do but increase the present percentage of convictions from 92 per cent in Manitoba to perhaps 100 per cent? We have only a small margin on which to work. Once in a while there is picked up an innocent man who, on the facts, should get off. He is in that seven per cent.

May I say that I appreciate my hon. friend's raising this point. It is a most important one. We are trying to give it the consideration it richly deserves. But I suggest that we are not deserving of his criticism simply because we have not rushed an amendment into the House of Commons to bridge that small gap, in the face of those scientific disagreements which the authorities indicate. That does not mean for one moment that we may not later bring down an amendment along these lines. But it will not be until we have given the whole matter the most careful consideration, so that when we bring an amendment down we can lay it before members and absolutely vouch for its fairness and its efficacy.

Mr. Diefenbaker: Just a word in reply—and I do not intend to reply in kind. When the Minister of Justice says that there are less than 8 per cent acquittals, that statement does not tell the picture at all. For what invariably happens is this, that when a man is charged with driving when drunk, and with the evidence of the police officer that he staggered, seemed to be uncertain of his equilibrium, and was thick in his speech, and had the other symptoms common to intoxication, charges are laid for a lesser offence.

The hon. member for Calgary West suggests that thickness of speech is one condition. I place his opinion even a little higher than that of the former attorney general of Manitoba, because I know that the hon. member for Calgary West has prosecuted hundreds, if not thousands, of cases in the criminal courts.

What happens is that charges are laid for a lesser offence, that of reckless driving. In fact, in the statistics for September, 1948, issued by the government of Canada, this situation is pointed out, where they deal with the theft of automobiles and say:

> It would seem that to avoid the heavy penalty of not less than one year in prison for theft of a motor, the charge of "taking a car without the owner's consent" is resorted to.

Then it goes on to point out in connection with intoxication that conviction for dangerous and reckless driving dropped 10·8 per cent in one year, whereas those under class VI in which drunken driving is contained dropped by 16·2 per cent.

My hon. friend referred to the deputy attorney general of Manitoba. Let me now present some of the officials who have been in charge of the administration of justice. These are police officers, and this is what they say. The minister says there is no difficulty in connection with convictions for drunken driving. Well, Chief Walter Mulligan of Vancouver used these words:

> A drunk-driving charge is one of the most difficult to prove.

My hon. friend mentioned the number of cases during the year, and said that there were only 8 per cent acquittals. I am asking him how many pleaded not guilty, and I have had no answer to that question. Many who are taken in plead guilty. But that in no way answers the argument that a defence and a plea of not guilty leads in most cases—and I say most cases—where there is any doubt whatsoever arising as a consequence of evidence advanced by the defence, to a conviction for a lesser offence, or at least a conviction on a charge of reckless driving.

Dr. Joslyn Rogers, outstanding provincial analyst in Ontario, a man of exceptional capacity and one who is regarded by many as Canada's outstanding toxicologist and one learned in criminal jurisprudence, says this:

> The drunk driver's killings and maimings would appall the public if they could be put before people in all their horror. He is the greatest menace we have.

I have referred to the chief of police in Vancouver. Let me now refer to Chief Charles MacIver of Winnipeg who says:

> Drunk driving is the No. 1 social problem today. A motorist under the influence of liquor is a potential murderer.

Mr. Garson: We all agree with that.

Mr. Diefenbaker: Oh, yes! The type of agreement of the man charged with law enforcement in this country is, "I agree with that; but we are not going to do anything about it." And then he says, "Give us time."

Mr. Garson: That is not what I said.

Mr. Diefenbaker: It is in effect what the minister said—"Give us time; we are looking into it"—while time rolls on and men and women are dying in consequence of a failure to put teeth in the law, as they have done in the United States.

The hon. member for Inverness-Richmond asked the number of those whose deaths were attributable to drunken driving, and when he asked his question I was not in a position to give him the figures. Those figures show that approximately 1,800 have died each year in motor accidents. The question arises as to the percentage due to alcohol, and drunken driving.

Dr. Josyln Rogers, the analyst and pathologist in Ontario, says it is 45 per cent. Chiefs of various city police forces have placed the figure from 15 to 35 per cent. The minister says this indicates that it is not so seriously regarded. Well, the inspector of the Toronto Police traffic division, Inspector Page, said the other day:

> Drunk drivers are a greater menace every year.

If that be so, then certainly there is something wrong with the enforcement of the law. I have one other quotation, and then I shall have finished. I will then leave it to the Canadian people as to whether public opinion will be aroused in order to meet a situation to which opinion has been directed.

The minister says, "Oh, it is easy to get a conviction", and he calls on the deputy attorney general of Manitoba and asks for an opinion. I give him now the opinion of Crown Attorney J. W. McFadden of Toronto, a man who was trained in the west and who before he went to Toronto was prosecutor in the city of Saskatoon. These are his words, and this is my answer to the minister, from a man whose record in prosecutions is worthy of the highest tradition in crown prosecution. This is what he said:

> "Many border-line cases who are admittedly dangerous as car drivers have to be overlooked because we could never make the charge stick in court," Crown Attorney J. W. McFadden, of Toronto, says.

The minister referred to statistics and said that there were 1,481 cases with less than eight per cent acquitted. As Mr. McFadden points out, there are many cases where the crown realizes that if it is to get a conviction it must proceed with a reduced charge. He says that tests are no good until they have been established. Everybody wants established tests so that no innocent man shall be convicted.

Mr. Garson: That is what we all want.

Mr. Diefenbaker: The minister referred to Glaister, and although I have not Glaister before me at the present time I know that he says that intoxication is established when there is a percentage of 1·5 or more in the blood. The court of appeal of Saskatchewan accepts that. In any event it is interesting to note that in all the quotations it is pointed out that the medical evidence alone would not be sufficient. But there would be the evidence of the police officers and of possible bystanders, which evidence would be emphasized by the toxicological investigation. The article continues:

> David Archibald, psychologist investigating the alcohol problem for the Liquor Control Board of Ontario, says: "If police could use tests like those accepted throughout most of the United States, Canada could make some strides in this tragic business of drunk driving."

My hon. friend has quoted authorities, all dead, but I should like to quote Dr. Joslyn Rogers, who says:

> Chemical tests get right to the crux of the matter —how much alcohol has the man got in his brain? If his blood has a 0·15 per cent alcohol concentration he's a lying fool when he says his dizziness was due to indigestion.

However the minister may look at it, if public opinion is aroused to the need of something being done, something will be done irrespective of the wishes or desires of the minister. Out of this discussion—we must have an exchange of opinions, in order that both sides may be presented—I hope will come a full consideration of this matter to the end that the horror thus created on the highways will be reduced, as it can be reduced with laws that have teeth in them.

Mr. Carroll: Mr. Chairman, I had no intention of entering into this debate because I realize that there is a commission investigating the revision of the Criminal Code and we may expect its report at the next session of parliament. I would not want any remarks of mine to influence the recommendations to be made in that report. British law and Canadian law have always stood for the principle that a person is presumed to be innocent until he is proved guilty by evidence which convinces a jury or magistrate beyond reasonable doubt. It has also been a principle of British and Canadian law that no man shall be forced to give evidence against himself, either in court or otherwise.

I fear that if a provision were put in our Criminal Code to make it incumbent upon a person accused of drunken driving, or of anything else, to give evidence against himself it would be a far-reaching and dangerous thing and absolutely against British and Canadian law in the matter of prosecutions for criminal offences. The same thing applies to confessions. If a confession is obtained by force from a person accused of a crime, that

confession is not admitted as evidence by any court. Any argument in connection therewith always takes place in the absence of the jury. If the prosecution wants to get that evidence before the court it must be proved that it was obtained voluntarily. I would not want to see any change made in that time-honoured law.

I repeat that I would not want my few remarks to influence the recommendations of the commission investigating revisions to the Criminal Code. Drunken driving is difficult to prove, but many offences are difficult to prove. That is not the fault of the law. You have perjury in practically every criminal case and in most civil cases, but that is not the fault of the law. I have never tried a charge of drunken driving as they are tried by magistrates, but I have tried many manslaughter cases arising out of motorcar accidents. The question of intoxication arises quite often and I always put it to the jury that if in their opinion the effect of spirits on the driver is such as to render him less careful than he would otherwise be in a normal condition, then they could take that into consideration as an element of negligence, and it was negligence because he put himself in that condition. In the section of the country from which I come I know that, so far as investigations are concerned where people are killed on the highways, inside of twenty minutes the mounted police are on the spot. There may be some places where it is more difficult to get them there in such a short time. The mounted police investigate these cases. They investigate the condition of the driver and also investigate what his condition was two or three hours before the fatal accident. The mounted police were always very careful to ascertain whether they could smell liquor on a person, and I want to say that I do not think all the investigations by chemicals, breathing or anything else would be more convincing to a jury than the evidence given by the Royal Canadian Mounted Police in cases I have had under my observation.

As I say, I am not against making the law more stringent. I have nothing to say about whether the method of punishment is or is not sufficient. I suggest, however, that in cases where a person is convicted of drunken driving something might be done to impose upon him a substantial assessment of damages for any wrong he may have done because of his drunken driving. I am not speaking about manslaughter cases. That would relieve those who are injured from the necessity of bringing actions in the civil courts. I say again that something should be done to help offset the fearful slaughter, and slaughter it is, caused by drunken driving in this country.

But I do not think that the common law and statute law of Great Britain and Canada should be interfered with too much, on the subject I have mentioned. The hon. member for Calgary West criticized legislation where certain inferences must be drawn. Let us suppose it is not a case of drunken driving. Let us suppose a bottle of liquor is found on a man. I believe the statutes of all the provinces say that the inference must be drawn that the man has it for illegal purposes, either for sale or for some other purpose. That is something on which the hon. member for Calgary West and I agree perfectly. The point came up in connection with some other matter that was raised in the house. I have always been against it. I do not think it is fair. I think it is an infringement of the common law that in criminal or civil proceedings the court should be forced to draw legal conclusions from certain acts when the court is quite capable of drawing proper conclusions itself in ninety-nine cases out of one hundred.

Mr. Smith (Calgary West): They have reversed the rule and said that he is guilty until he proves himself innocent.

Mr. Cavers: Mr. Chairman, in casual conversation with some of my fellow members, I was told if I made a lengthy speech at this time I would run the risk of justifiable homocide. I shall assume that risk. I assure you that I will be brief, Mr. Chairman. I wish to take some of the time of the committee to deal with the administration of penitentiaries and the report of the commissioner of penitentiaries. I do not intend to speak in detail about the report of the commissioner, although I commend it to the consideration of members of the committee.

During the last few years there has developed in this country, as well as in the United Kingdom and United States, a change in the attitude towards imprisonment from the concept of deterrent punishment to one contemplating treatment that will release the prisoner to society better equipped to re-establish himself in civilian life. In Canada this changed concept of the purpose of imprisonment was brought forcibly to the attention of the people by the report of the royal commission to investigate the penal system of Canada, commonly known as the Archambault report. That report emphasized that the proper basis for a good penal system was the protection of society. It went on to point out that, entirely apart from humanitarian grounds, from the economic standpoint it was important that people who found themselves in penitentiaries should be in a position to rehabilitate themselves again in society

so that they would not become habitual offenders.

Three points should be kept in mind. First, prisoners must be kept in safe custody until they have served their terms. Second, the term of imprisonment should be used to effect a change in the attitude of the accused to society, and to provide him with some special knowledge or skill which would enable him to take his place in society again without resorting to his criminal habits. Third, the prisoner should be treated fairly and humanely during his term of imprisonment.

Resulting from the Archambault report, we set up a commission to deal with penitentiaries. The commissioner, Major General R. B. Gibson, has done a good job. He is assisted by the deputy commissioner, Mr. Joseph McCulley, a prominent Ontario educationist, and Dr. L. P. Gendreau. I am told by those persons who are in a position to know that they are doing an excellent job. What are they doing? I am told that in 1948 they commenced training classes for persons who might be engaged on penitentiary staffs. These courses are designed to develop a knowledge of principles of modern penology and to raise the standards of the officers.

In addition, I am informed that educational courses are being provided for those persons who are incarcerated. Correspondence courses are provided by the Department of Veterans Affairs to all prisoners, and prisoners who are qualified to do so are permitted to take university extension courses. Library facilities have been extended, and there are now available to prisoners somewhere in the neighbourhood of 30,000 books, as well as a fine collection of periodicals and magazines. Experience has proved that the circulation of good literature tends to combat less desirable activities.

Then there are those who desire to engage in the industrial shops and construction activities of the penitentiary. They are taught valuable trades and vocations which they may use when they return to civilian life. Some of the trades that are taught are brick masonry, construction, carpentry, cabinet making, plumbing and steam-fitting, sheet metal work, and plastering. These activities have been carried on in a very fine manner since the reorganization which took place in 1946. They teach the men valuable vocations which may be of benefit to them when they return to civilian life. But they do more. They keep the prisoner busy, and his mind occupied during the period of his incarceration. However fine this work is which may have been done by the penitentiaries commission, I believe there is much room for improvement in the period preceding the prisoner's return to society which I should like to call the "tapering off" process.

To expect prisoners to get into step with the march of life immediately is imposing a great strain on human nature. Not so long ago a man reported to an office of the John Howard society after having served ten years in a federal institution. He was out of touch with the world, and was afraid to cross the street alone. He could not handle the changing of a two-dollar bill, and shrank from eating in the restaurant in the presence of others, when for so long a time he had eaten his meals alone. I suggest that during the last few weeks of imprisonment prisoners should be permitted to hear the radio at all times; they should be supplied with the daily newspapers, and have their meals in common with others. I am sure if this course were followed they would find civil rehabilitation a great deal easier.

I further suggest that these prisoners should have the opportunity of speaking to carefully screened lay persons concerning their personal problems or current events. This would establish some contact with the outside world which would ease the change-over for the prisoner. Then there are the personal needs of the dischargee which must be provided. A person released from a penitentiary comes out with an outfit of clothing and not less than $10 in cash, plus a one-way ticket to the place from which he was sentenced. Many dischargees have no homes to go to, no savings on which to depend, and few friends to aid them. Not long ago a man reported to a business place in Ontario. When he arrived the personnel manager thought he was slightly crippled because he walked with a limp. It turned out that the shoes which had been supplied to him on his discharge did not fit. They were good shoes, properly made but ill fitting, and the man had difficulty in walking. He could not throw them away because he did not have the price of a new pair of shoes. He felt himself conspicuous enough without the added embarrassment of his peculiar walk. Let us take care to see that these people are permitted the proper clothing and attire when they attempt to adjust themselves to civilian life.

Then there is the problem of securing employment for the ex-prisoner, so that he will not return to his former illegal practices. Whether it is proper "to tell or not to tell" the boss presents a thorny question. Some require tools with which to work and are unable to pay for them. Others are impeded by the hurdle of providing a bond which is usually refused when one has had a prison

record. A man comes out of prison and finds that he cannot drive a truck or taxi or engage in selling, because a municipal licence is required, and the civic authority will not grant a licence to an ex-convict.

I am happy to note that the estimates provide a grant of $35,000 to prisoners' aid societies. This grant was first made, I understand, in 1948, and it should be continued because these societies, usually known as John Howard societies, provide much after-care for prisoners. I would be remiss indeed if I did not make special mention of the aggressive and effective work that has been done in rehabilitating prisoners by Mr. J. Alex Edmison, K.C., president of the Canadian penal association. Mr. Edmison and his associates have done much to provide employment for prisoners, and set them again on the road of life. Employers have confidence in his judgment and rely upon his recommendations. Some of the elementary services which he provides are the supplying of car tickets, meals, clothing, room rent and the various equipment that might be required. This organization is filling a great need in civil rehabilitation.

In conclusion I wish to extend a word of commendation to the present Minister of Justice, who is continuing the new deal for prisoners which was established in 1946. He is doing a good job. I should also like to offer a word of congratulations to the commissioner of penitentiaries and his two assistants who have been carrying on in a fine manner. We have not evolved the perfect system, but this dominion may yet set an example for other progressive nations in the field of civil rehabilitation.

Mr. Herridge: Mr. Chairman, as the member representing the riding in which the greater number of Doukhobors live in the province of British Columbia, I make no apology for taking the time of the house for a few minutes this evening to discuss the Sons of Freedom question, and place before this house and the government the opinions of the great majority of the people I have the honour to represent. I might say, Mr. Chairman, that the Sons of Freedom have been referred to by *Maclean's* magazine as the "sons of anarchy" and I think that is a correct definition of the people with whom I shall deal this evening.

When speaking in this house in 1946 I had this to say at the conclusion of a speech upon the Doukhobor question. It appears at page 5694 of *Hansard* of August 30, 1946:

> In conclusion, on behalf of my constituents I urge this government, in co-operation with the provincial government of British Columbia, to give immediate consideration to the wishes of the people I represent with a view to solving this long-standing social problem. I am certain that, if the problem is approached with determination and understanding, the result in the very near future will be satisfactory to the people I represent, the people of Kootenay West, and will cause the great majority of Doukhobors, who wish to live according to Canadian law and Canadian standards, to say in their usual way; Slava Bohu.

That was in the summer of 1946, and since that time there have been recurrent outbreaks of burning and disorder but practically no action on the part of the provincial or federal governments to deal effectively with the situation until recent months.

Before proceeding, Mr. Chairman, I want to distinguish, for the benefit of the members of the house, between the Sons of Freedom sect and the main Doukhobor community. We have in the district about 12,000 people who are generally termed Doukhobors. This is not a race, but a group of people having certain religious beliefs. Of those 12,000, 10,000 are reasonable, law-abiding people. Two thousand are known as the Sons of Freedom, and they are the group that cause the trouble in the district which I represent. They are causing both the federal and provincial governments serious concern at this time. In my remarks from this point forward I shall refer to them as the Sons of Freedom. I believe, Mr. Chairman, in fairness to the law-abiding Doukhobors it would be more correct if the press referred to these people as the Sons of Freedom, and not by the general term of "Doukhobors".

I do not intend to deal at length with the historical aspect of this question, because I just want to present the opinions of my people to the house and the government. Anyone who is interested in the historical aspect of this question so far as British Columbia is concerned would be well advised to look at page 5691 of *Hansard* for 1946, in which they will find a comprehensive review of the situation. This is the fiftieth anniversary of the Doukhobors coming to Canada. I do not intend to go into the whole situation this evening. Suffice it to say as a brief introduction to the present situation today that the Doukhobors first came to Saskatchewan, and later Peter Verigin 1st began to seek another field for them to develop, came to Kootenay West, looking for the same, and at that time—

Mr. Smith (Calgary West): Yorkton, Saskatchewan.

Mr. Herridge: Yorkton, Saskatchewan, yes. That is quite correct. The hon. member for Calgary West is usually correct when it comes

to the historical events of western Canada. Verigin had this to say of the Kootenay:

"In British Columbia we will buy our land and own it so it will not be necessary to be subject to the English king, and keep our land. No schools are there. The air is very pure, like Switzerland. So we will live in good health in the Canadian way with no government to bother us, no rheumatism and few mosquitoes. Slava Bohu."

I will just mention that to indicate that he knew, when he came to settle in Kootenay West, as far as land and opportunities for settlement are concerned, he had picked a choice country. In 1909 we had a special train bearing about 800; in 1910 several hundred more, and in 1911 another thousand. Later, after the Saskatchewan government began to take stern action against certain practices of the Sons of Freedom in Saskatchewan, there was an influx of the Sons of Freedom. According to the editorials of all newspapers of that time, the Doukhobors were looked upon with favour and their community prospered.

Then the Sons of Freedom commenced coming from Saskatchewan. In Saskatchewan the provincial government took drastic action when they began cutting the capers that they have been cutting in Kootenay West for the last twenty-five years; but that strong action simply resulted in their leaving the area around Yorkton and coming to Kootenay West, and we have had them ever since. In 1927 the first trouble commenced with the development of what I would term the nude strategy. Since that time we have had bombings and burnings right through the years up to 1946—schools, houses, bridges and factories were destroyed.

Mr. Smith (Calgary West): Nude strategy began in Yorkton.

Mr. Herridge: I am talking about nude strategy in British Columbia.

Mr. Stewart (Winnipeg North): Oh, it started long before that.

Mr. Herridge: Shortly after that, in 1946, we had the Sullivan commission, of which we had high hopes, but nothing happened. A great deal of evidence was taken here and there, and then the commission folded up. Since that time all hon. members have read of the recent events—the burning of their own houses, the dynamiting of railroad tracks and the blowing up of bridges, until now we have over 400 in the penitentiary, with the attorney general of the province suggesting there would be many more there if there was space for them. In all it is estimated that these people have caused damage, in the district I represent, totalling over $1 million to date.

[Mr. Herridge.]

This is a most complicated and unusual question, Mr. Chairman. We have not this situation existing anywhere else in Canada, and I know that it is not easy of solution. This Sons of Freedom problem has caused advertising of our district all over the world. Canadian papers in recent months have been carrying headlines from day to day about the continued burnings and difficulties that have occurred in Kootenay West. Here is a quotation from the Trail *Times* of April 21:

Sons of Freedom confess to guilt. Maintained they have the sanction of supernatural revelation.

Here is one from the Nelson *Daily News* of April 22:

Tot pulled in to nude display; four more Krestova buildings destroyed. Twenty arrests in two days; over 80 in cells here.

And so on and so on.

Then we have even the British press taking notice of these unusual occurrences. In the *Sunday Pictorial*, October 9, 1949, I see a picture under these large black headlines:

Strip tease girls who make a whole nation blush.

Recently I was informed of an article in one of the San Francisco papers, of typical American style and content, stating that a parade of nude Doukhobors down the main street of one of our small towns was led by a gorgeous nude blonde riding a white stallion. You can imagine the advertising, and the, shall I say, exaggeration that goes on in connection with this Sons of Freedom disorder.

The minister is well informed of this situation. The people of my district have sent letters and resolutions to the Minister of Justice and to the attorney general because it has been of serious concern to them for some years and particularly during recent months. I think the opinion of the people in the district is expressed by resolutions from the Trail board of trade, the Nelson board of trade, the West Kootenay and central farmers' institute and the associated boards of trade of eastern British Columbia.

I want to say that I think the people of our district have been most patient with this problem throughout the years. Anyone who has lived as close to it as I have lived during the last twenty-five years will realize that the patience of the people of Kootenay West is a demonstration of their belief in law and order and in making every effort to settle this difficult question according to the principles of law and order. That is the attitude of the people I represent. What is the attitude of the law-abiding Doukhobors? I just want to quote a resolution forwarded to me quite recently. It is as follows:

Resolution of a meeting of a group of Doukhobors, held at Trail, B.C., on the 8th day of June, 1949,

under the chairmanship of Peter Konkin, and secretary William P. Reibin, with regard to terrorism in the Kootenays.

We protest against any and all allegations that the Doukhobors in general are responsible for the terroristic acts committed in and around our settlements.

We directly suffer more than anyone else from the acts in question.

In the name of justice and fair play we appeal to the authorities to take the necessary measures so that we as peaceful, law-abiding citizens, would not be subjected to live in terror, as well as suffer from cruel and unjust discrimination against us at the hands of those who, due to lack of knowledge of the true facts, blame all Doukhobors for such terrorism.

It is not just to blame all for criminal actions of a few. We request immediate investigation to uncover and apprehend all persons responsible for these outrages, regardless of race, colour or creed.

We reaffirm our policy of toil and peaceful life.

Then, Mr. Chairman, I have another one here from the mass meeting of the union of the spiritual communities of Christ held on April 14 which, in similar terms, appeals to the Minister of Justice at Ottawa and to the attorney general of British Columbia for action to be taken to prevent the continuation of these outrages, these burnings and the terrorisms.

First of all, why has this situation continued throughout the years? I have no hesitation in laying the blame, in the first instance, for the development of this terrorism, these burnings and this lawlessness throughout the years, directly upon the shoulders of successive provincial governments of British Columbia.

I am not going into the details here, Mr. Chairman, but I can tell you that the matter of dealing with the Doukhobor question in British Columbia is a very mysterious one. I have no hesitation in saying that in my opinion—and it is the opinion of large numbers of responsible citizens—this situation has developed because of the failure of successive British Columbia governments to nip, shall I say, this social ulcer in the bud at the very commencement. That is a rather mixed metaphor, but I am quite sure that you, Mr. Chairman, know what I mean.

What do I find? I find further evidence of the provincial government's failing to grasp this question and to accept its responsibility. These are serious times. People in public office and people representing the public, on this question and on all public questions, must be willing to accept their responsibilities. I pick up the *Sun* of June 27, which carries a news dispatch from Victoria, as follows:

Red influence seen in Douk uprisings. Wismer says fanatics may be hostile to Canada; demands Ottawa action.

The article goes on to say:

Attorney-General Gordon Wismer, in a radio broadcast Monday night, suggested communistic influence among Sons of Freedom Doukhobors who have been resisting British Columbia's laws.

"I think I am justified," he said, "in suggesting that these people, Russian in origin, and many of whom, though born in Canada, speak only the Russian language, may, in this period when the cold war is perceptibly warmer, be actuated by motives entirely hostile to the country of their adoption."

"Their constant cries that what they are doing is in protest against a third world war—this while they are endeavouring to sabotage railway trains and to cut off the supply of power to large industries by dynamiting power lines—sound strangely familiar to those who observed the strategy of another group during the last war, before Russia entered into it."

Mr. Wismer declared flatly that solution of the Doukhobor problem is a matter for the dominion government. All British Columbia can do is arrest them for law-breaking, but it has no other powers.

In that article Mr. Wismer suggests that it is a problem for the federal government by suggesting that it is a security problem, a question of national security, and therefore it is the responsibility of the federal government.

Some three or four weeks ago, Mr. Wismer, attorney general of British Columbia, said that what was happening in Kootenay West was civil insurrection. In my opinion, that was an attempt to lead the people to believe that this was entirely a federal responsibility. Later he said it was a national emergency, again to create the impression that this question is the sole responsibility of the federal government. Thirdly, we have his recent broadcast to the people of British Columbia, in which he suggests that it is a question of national security and the prime responsibility of the federal government.

I am of the opinion that we cannot handle this difficult question, or similar questions, by trying to evade our responsibilities. Quick action in Saskatchewan soon settled the Doukhobor question to the satisfaction of Saskatchewan, but to our embarrassment. I am of the opinion, Mr. Chairman, in which opinion I think I am correct, that the legal responsibility for the administration of law and order in the province rests entirely in the hands of the provincial government; but I do say that in view of the agreement of 1898, and the particular nature of the question, the federal government has a moral responsibility. In my opinion we now have a problem of such magnitude that it can only be solved by federal and provincial governments effecting joint responsibility and approaching the problem together.

Before proceeding to give my few suggestions I want to pay a compliment to the members of the Royal Canadian Mounted Police and the provincial police who have

had to deal with this question throughout the years. I think, and I have considerable knowledge of the difficulties that the police in both jurisdictions have had to work under in dealing with this most unusual and most complex question, that the provincial police have been most patient and very careful in their whole handling of this question. I want to pay a compliment to Commissioner Meade, who has given excellent advice and who has been most co-operative with the other police officials, civilians and committees who are working toward a solution of this question. I mention that because I think it is indicative of their strong sense of the civil rights of the subject in Canada. Under the most extreme provocation at times both the provincial police and the Royal Canadian Mounted Police have been very careful to act with tolerance and justice and with a full appreciation of the civil rights of the subject.

In recent months public indignation has forced both governments to take some action. I was pleased to see Mr. Wismer's statement in respect to this matter some four or five weeks ago. I was hopeful that as a result of the statement—it was termed a joint action statement, there was going to be some close co-operation between both governments on this question. I am pleased indeed to know that we now have a committee established in British Columbia headed by Dr. MacKenzie, president of the university of British Columbia. Included in the committee are other members of the faculty of the university of British Columbia. They intend to pursue a long-time study of this serious and complicated question. I am pleased indeed to see that. I understand they will start from the beginning to attempt to sort out the underlying causes or reasons for the unorthodox behaviour of the radical Sons of Freedom. Their deliberations will not be guided by emotions, but by their specialized skills applied with logic and intelligence.

In that connection, Mr. Chairman, I cannot refrain from informing the committee that that is exactly the course of action that was advocated by the C.C.F. in the provincial legislature since 1933. We have a section in the Regina manifesto entitled "Social justice". That section deals with the necessity for the use of psychiatrists and a special approach to certain problems such as these, and to certain criminal cases, if we are to rebuild these people, reform their characters and make them useful citizens. I am pleased to know, Mr. Chairman, that we have another illustration of a capitalistic government in British Columbia adopting a plank from the Regina manifesto in an effort to solve this most difficult question.

[Mr. Herridge.]

In addition to that, we have a committee in Kootenay West established by the associated boards of trade of Kootenay West, with wide representation, which is now studying the whole question, having a wide knowledge of the local background and the sequence of events throughout the years; and it is willing to co-operate in every way possible with the provincial government and with the federal government. I am also happy to know that the Society of Friends, who in the first instance were largely responsible for the coming of Doukhobors to Canada, are going to send some of their people into Kootenay West. I pay a great tribute to the work that the Society of Friends has done in many cases similar to this throughout the world.

I am sure that the local committee, the provincial committee, and the efforts of the Society of Friends will in the long run produce some lasting results.

Some hon. Members: Carried.

Mr. Herridge: Some hon. members are crying "Carried". I may say I purposely refrained from commenting on other items that I would like to have commented on in order to feel morally justified in taking up twenty-five minutes of the committee's time at this late date.

I may say that the people I represent are pleased with the actions so far in the appointment of this committee. They are very glad to know that the provincial committee, the provincial government and the federal government are willing to co-operate with the local committee. The Kootenay committee is going to keep in close touch with all those concerned with this problem.

As one who realizes to the full our priceless heritage of civil liberties, and as one who has a close personal knowledge of the situation for many years, and as the member for Kootenay West, I wish to submit the following proposals. I say first of all that both governments must accept some responsibility if this question is to be solved. I say that the federal government has a moral responsibility. The provincial government has a legal responsibility, but I think this difficult question must be approached in the spirit of co-operation between both governments. I do urge that the Minister of Justice use all the, shall I say, advantages of his supreme office and department to promote co-operation in every way possible with the provincial government. In saying that I fully realize the difficulty the minister faces. I recognize that you cannot accept responsibility without power, and that the power and the responsibility at present rest in the hands of the provincial government. But I do hope

that in the future—and the people I represent have the same hope—there will be a close understanding and close co-operation as well as a joint acceptance of responsibility by both federal and provincial governments.

There is a fringe of these people who are definitely criminal. I suggest—and I think I am speaking for the majority of the people I represent—that those who commit acts which are definitely criminal in their nature, such as burnings, bombings and matters of that kind, should be arrested, and, when proven guilty, receive the full impact of the law. But I cannot see any solution, and the people I represent cannot see any solution in sending people to jail or to a penitentiary for three years, just because they have taken their clothes off. I think that is evidence that the provincial government is trying to pass the responsibility over to the federal government, by simply sentencing these people who have undressed themselves to three years in jail. The sentence is out of all proportion to the offence involved, and it is a policy in my opinion of loading the expense connected with the care of these people upon the federal government.

If you once pin the leaders down it will be found that they are a very small core of crafty men who are taking advantage of a group of mentally unbalanced and mentally ill people. Get at that core, and I think it will not be long before we will solve the problem. For the greater group of mentally unbalanced and mentally ill I suggest it may be necessary to pass special legislation, after consultation between the federal and provincial governments. But I do hope that these people can be treated as people who are ill, people who are unbalanced and who require remedial treatment.

They may require detention without arrest. They may require being placed at some point where they can earn their own living by cultivating the land. It requires a policy of understanding, and what I would term humane firmness, to restore these people to the point where they may become good citizens, and resume normal lives.

I am just hurrying along in order not to take up too much of the time of the committee. I do hope that the government will use all its facilities, and as well the Society of Friends and the local committee. The people in my district whom I represent are the finest to be found anywhere in Canada, and they are willing to volunteer to do anything they can toward finding a solution to this problem, and work so that these unfortunate people can be restored to a proper and balanced life.

I come now to a branch of the government which I believe can do some good work. Here is an opportunity for what I would describe as some social engineering. We have only about two thousand Sons of Freedom who create difficulty. There are at least ten thousand Doukhobors who are law-abiding people. When I dealt with this question in 1946 I suggested that here was an opportunity for the citizenship branch of the then department of mines and resources to do some good work. So far the citizenship branch has not spent one five-cent piece among those ten thousand Doukhobors.

I say to the young minister now in charge of that branch that here is an opportunity to do some social engineering and to bring all the facilities of the citizenship branch to bear in assisting these people to accept more and more the full responsibilities of Canadian citizenship. In caring for these mentally ill people we have to use all possible agencies. We have to provide for the education of the children, and to make provision whereby they will graduate to full citizenship, upon evidence being advanced that they are cured of this mental unbalance and this state of disquietude.

I have mentioned the necessity of training for citizenship. Before concluding may I refer briefly to the franchise. We must have a positive approach to this question, even with that larger group in the community which is generally known as the Spiritual Community of Christ. Then there are what are known as the Named Doukhobors. Then there are the Independent Doukhobors, those who have left the community and who own land outside. There is also the small group known as the Progressive Doukhobors. Then we have this group of two thousand who call themselves the Sons of Freedom.

Everyone who is willing to accept the responsibilities of citizenship in Canada is entitled to the opportunity to exercise the franchise. We have a good number of excellent people in Kootenay West, members of boards of trade, business men in various communities, men who are respected and who have been playing their part in their communities for twenty-five or thirty years, who in some cases have had nothing to do whatsoever with Doukhobor communities in all that period and who, in our province, through present provincial and federal legislation, will never have the opportunity to exercise the franchise. The same applies to their descendants. I urge that the government of Canada bring this matter to the attention of the provincial authorities in

British Columbia, and that in dealing with the whole aspect of the problem something be done to correct this situation.

The provincial elections act says that no Doukhobor can exercise the franchise. Let me read briefly the definition of Doukhobor:

> Doukhobor means a person, male or female, exempted or entitled to claim exemption or who on production of any certificate might have become or would now be entitled to claim exemption from military service by reason of the order of the governor in council of December sixth, 1898; and every descendant of any such person, whether born in the province or elsewhere.

I know of a man who has had nothing to do with a Doukhobor community for years and years. He has carried on and accepted the responsibilities of citizenship. Yet, according to the law as it stands at present, neither he nor his children for all time to come would have the opportunity to exercise the franchise.

Section 14(1) of the Dominion Elections Act has this to say:

> In any province, every person exempted or entitled to claim exemption or who on production of any certificate might have become or would now be entitled to claim exemption from military service by reason of the order in council of December 6, 1898, because the—

The Chairman: Order. It seems to me the hon. member is out of order in discussing the franchise on this item.

Mr. Herridge: I think I am in order. I am making a suggestion in connection with the administration of justice with a view to a solution of the Sons of Freedom problem.

The Chairman: But the hon. member's suggestion is out of order.

Mr. Herridge: Very well. I was asking the government to give the matter serious consideration, that it be brought to the attention of the provincial government, that positive action be taken to give these people the feeling that they are recognized as Canadians, and to encourage them in greater numbers to accept the full responsibility of Canadian citizenship.

An hon. Member: Amen.

Mr. Herridge: I thought I heard someone say "Amen". I shall conclude in a few moments.

Mr. Cruickshank: It was said behind the curtain. He would not come inside to say it.

Mr. Herridge: In conclusion—and I have hurried through this as rapidly as I could; but I do feel keenly about it, and in what I have said I have been expressing the majority views of the people in my constituency—in conclusion let me say this again: punish the criminals; punish them according to law, as an object lesson and as a deterrent to those who would continue to do likewise. Establish a policy of re-education for the mentally ill and unbalanced if necessary, through special legislation. Then, there should be citizenship training for the whole of the Doukhobor community, and for the younger people particularly, so that they may soon fit into the Canadian economy and into the Canadian social pattern.

I emphasize again that we must do something positive, and one of the things we should do is to extend the franchise to all those who are willing to accept the responsibilities of Canadian citizenship.

Mr. Fulton: Mr. Chairman, I should like to say a word on a question of particular importance to the Minister of Justice; I refer to the problem now confronting the British Columbia authorities of providing prison accommodation for those who have committed offences.

Just before going on may I say that this is a special and particular problem which concerns the hon. member for Kootenay West in whose constituency these Doukhobors reside almost exclusively. I urge upon the government as a whole and upon the Minister of Justice in particular the most serious and favourable consideration of the point of view just advanced by the hon. member for Kootenay West.

The problem which confronts the British Columbia authorities in connection with the offences which have been committed by these Doukhobors appears to be one of providing prison accommodation. According to the press articles it would seem that the Ottawa authorities are unable to understand why the British Columbia courts are imposing such severe sentences upon Doukhobors for the nudism which has been going on. According to a dispatch which appeared in the Vancouver *Sun* of June 14 the authorities at Ottawa would appear to be annoyed or irked at the sentences being imposed upon Doukhobors.

I think it is felt by all citizens of British Columbia that that attitude indicates an incomplete understanding of the problem which faces the authorities in British Columbia. Although the Doukhobors are being brought into court charged with nudism the background of the whole situation is that this particular sect of about 2,000, the Sons of Freedom, have been indulging in a campaign of terrorism and violence and arson and other things which constitute a complete defiance of the whole system of law and order in the section of the province in which they reside.

It is felt, and I think with justification, that since all efforts to placate and deal reasonably with this particular sect have failed, since they have persisted in spite of those efforts in their campaign of violence, the time has arrived when they should be treated sternly—not harshly—and that the offences they are committing justify a certain amount of severity. That is why they are receiving penitentiary terms for the offences of nudism and the background of the situation is in the minds of the judges in imposing sentence.

The headline of a report in the Vancouver *Sun* of June 15 intimates a break between Ottawa and British Columbia because of the Doukhobors. It states that the relations between Ottawa and Victoria over the handling of the Sons of Freedom are nearing a cracking point. That indicates the seriousness of what appears to be a difference of view between the authorities in the department and the authorities out there as to the sentences that should be imposed.

The background of that difference of view appears to lie in the fact that the federal authorities are reluctant to provide the penitentiary or jail accommodation for these Doukhobors. No doubt the committee is aware that sentences of six months and under are the responsibility of the provincial authorities in the way of providing necessary jail accommodation, whereas penitentiary sentences are, broadly speaking, a federal responsibility. Because of the number of offences that have been committed the federal authorities are worried, and I can imagine they have cause to be, over the accommodation they will have to provide in the penitentiaries as a result of the sentences imposed.

Not to labour the point, I think I can conclude by saying this: If the officials of the Department of Justice will realize that this problem can no longer be dealt with by placating the Doukhobors, if they will realize that it requires stern measures, then they will appreciate that our courts must impose severe penalties in order to let this sect know that they cannot continue to defy our whole system of law and order. Penitentiary sentences must be imposed.

It is not a case of the British Columbia authorities wanting to evade responsibility in providing the required prison accommodation, it is simply a case of their having to impose these sentences if they are to deal adequately with this campaign of terrorism and violence. If the federal authorities will appreciate that there is that necessity, the irritation which exists, according to this press dispatch, will disappear and perhaps there will again be good will between the federal and provincial authorities, which is necessary if there is to be a solution of this problem.

Mr. Stewart (Winnipeg North): Mr. Chairman, I had hoped that the minister would have some comments to make on the two very thoughtful speeches that have been made about a problem about which I imagine the committee is fairly ignorant. I should like to introduce a new subject at this time however, although I have made previous references to the matter of security clearance. The minister knows my views quite well. I am dissatisfied with the statement he made on June 12, when, if my memory serves me aright, he said that the deputy minister of a department would decide who should stay and who should be dismissed for security reasons. I should like to know if my memory is correct because I do not want to do the minister an injustice.

It seems to me that that is giving too much power to a deputy minister, power of a kind which he might not appreciate. Secondly, and more important, it does not give the civil servant, who after all is a citizen of Canada, the security which he should have. To put it briefly, my opinion is that if a civil servant is suspected of subversive activities, within limits, the facts should be made known to him and he should have the right to present his case to a board of review. The board would consider the facts and report to the deputy minister, who in turn would report to the minister. The minister would be the last court of appeal as far as the accused person was concerned.

What I am most concerned about, and I am quite sure the Minister of Justice shares my concern, is that the rights of the individual shall be protected. A state can be arbitrary and individuals can be arbitrary, and at all costs the rights of the citizen must be protected. I would like to know in what way the rights of the civil servant will be protected.

Mr. Garson: Mr. Chairman, I do not know that I have much to add to the statement that was made before in reply to a question by the hon. member for Kamloops. That statement can be perhaps oversimplified by putting it in these terms: The head of a department always has had the right, even before this question arose of securing the unquestioned loyalty of all civil servants, of seeing to it that the members of his staff were properly fitted to do the work for which they were responsible. When the question of security arises, the head of the department is under continuous responsibility to see to it that every member of his staff is one from whom complete responsibility can be expected in the matter of loyalty. That being the case,

as I indicated then, in the proper discharge of his own responsibility he cannot afford to take any risk whatever as to John Doe, one of his employees. His judgment in that regard will be exercised partly in relation to the degree of vulnerability of the department of which he is head, or it may be exercised in relation to some new responsibility imposed upon the department which makes it vulnerable. Therefore since he cannot, in the proper discharge of his official responsibility, take any chance in the matter, he is under the obligation to remove from a position of great responsibility any person about whose loyalty he entertains any doubt whatsoever. That move may take the form either of letting the individual out of the service altogether, or of securing employment for him in another department of the government where no question of vulnerability arises, at least to the same degree.

I admit that in theory it appears that the possibility for arbitrary action is present in such a situation, but no cases have come to my attention of any injustice in that regard. I think my hon. friend will realize upon reflection that if action is taken in the first instance by the deputy, as it usually would be, although not formally provided there is in the nature of the matter an appeal for John Doe who is suspect and who thinks he is being unjustly treated. He will naturally go to the minister. I think the ministers of the government, all being fairly humane and reasonable men, will take great pains to make sure that there is no injustice in a particular case. That arrangement has worked well so far. Nothing has developed which indicates any need for changing it, but I think it would be safe to say that if anything developed to indicate that the appeal to the minister is not sufficient, the government would be quite prepared to consider such a change.

Mr. Stewart (Winnipeg North): What I am asking is that the stable door be locked before the horse is gone. The minister has told us —and of course I accept his word—that no cases have come to his knowledge of deputy ministers dismissing anybody because of suspicion about loyalty. I think that is true. Nevertheless I think the Minister of Justice may also have some knowledge of a case, for instance, to which there was a dossier attached in which certain allegations were made about events that happened long ago, and because of those events doubt was cast upon the loyalty of the person today.

We are up against the tremendously difficult problem of trying to define what is a subversive activity. I do not ask the minister to do it because I do not think I can do so myself. I am not arguing for a moment about the right of a deputy minister, or somebody in a position of power, to decide as to a person's capability for work. They have a perfect right to dismiss an employee if he is not capable, but I have the gravest doubts about anybody's ability to decide on the most objective grounds as to what may be doubts about loyalty or subversive activities. I am not asking that security measures should be relaxed; I want to see them maintained; but I also want to see the security of the individual maintained.

The suggestion I put forward is not a new one. The minister probably is familiar with the system existing today in the United Kingdom. If a person is suspected of disloyalty, charges are laid before him, and he is given leave of absence with full pay to appear before a board which only has power to report upon the facts. After having interviewed the person charged, it reports the facts to the minister, and the minister has the final decision. I ask for such a board not because I have any suspicion of our deputy ministers but to protect the individual and above all to make sure that there can be no possible case of injustice to the individual. I am quite sure the minister is broad-minded enough to realize the necessity for safeguarding the individual. I hope he will give my suggestion careful thought and implement it if possible.

Mr. Fleming: I should like to ask the Minister of Justice a question concerning a subject which is not new. When the Judges Act was amended about seven years ago to permit judges at their option to share their pensions with their wives, the provision was not made retroactive to include judges who prior to that date had retired. I have argued previously in the house that an injustice was thus done. It was a form of discrimination for which there was no warrant or justification. As I say, the matter is not a new one. I have raised it several times previously, although, I think, not since the present Minister of Justice took office. I hope the minister will undertake to reconsider the situation and extend to the judges who had retired prior to that change in the law, and whose numbers are shrinking year by year, the same privilege and opportunity as was given to their brethren on the bench when the legislation came into effect.

Mr. Garson: I shall be glad to give the matter consideration. I suppose my hon. friend would bracket with them some of the widows as well.

Mr. Fleming: Pardon?

Mr. Garson: I suppose my hon. friend would bracket with the judges who did not

have the opportunity of making election some of the widows of those judges who also do not have that opportunity.

Mr. Fleming: Quite. Their position would have to be equated with that of widows of judges since that time. I think there is a very clear-cut situation there. The judges then on the bench were given an opportunity which was just as much sought after at the time by retired judges as by judges on the bench. While the privilege was extended to judges on the bench it was withheld from those who had retired.

Item agreed to.

142. Combines investigation branch, $213,235.

Mr. Fleming: About a week ago the minister made an announcement concerning the appointment of a commission to study the Combines Investigation Act and recommend changes. Can he give any indication as to the length of time it is expected the commission will require for its study of the problem, and tell the committee if there is any likelihood that their report may be received before the next session so that any implementing legislation can be introduced at that time?

Mr. Garson: Mr. Chairman, I do not think I can give a very accurate estimate because the terms of reference are substantially as I stated them the other day. They are quite wide. We have a commission in whom we have the greatest possible confidence. We have given them carte blanche, and we do not know what they are going to write on that carte blanche. We imposed no restriction as to time, but I may say we had hoped we might possibly be able to consider their report before the next session of parliament. That is just a hope, it is not an estimate, and in no sense is it any commitment on the part of the commission.

Mr. Knowles: Can the minister state whether any investigations have been instituted by the combines investigation branch since the appointment of the new commissioner? Also, has the minister any comment to make on the report from the United States alleging monopoly or cartel in the Canadian newsprint industry?

Mr. Garson: I might answer my friend's first question by giving a little more information than he requested. First, the flat glass prosecution: The date for the commencement of the trial at Toronto has been fixed as September 25 next. The counsel for the commission are Mr. T. N. Phelan, K.C., and Mr. D. D. Carrick.

As to the bread prosecution, the argument on the preliminary application to quash the charge has been fixed for June 28. Mr. Blanchard, who is our counsel, has decided to stand upon the charge he preferred as agent of the attorney general of Alberta. The trial itself has been set for the criminal sittings next September 11 at Calgary. The counsel are Mr. C. S. Blanchard and Mr. H. W. Riley.

The match prosecutions: Counsel are still considering the exact form of charges, and directing their attention particularly to the question whether a preliminary inquiry will be necessary. We expect to have their settled opinion very shortly. The counsel are Mr. J. G. Ahern K.C., Mr. Guy Favreau, Montreal.

As to pending inquiries, no details can be given, but it may be said that there are two inquiries in advanced stages and a considerable number of preliminary inquiries, which may or may not lead to formal inquiries, that are under way in regard to other matters. In addition, the commission is receiving and dealing with the usual number of week to week complaints and inquiries, which are disposed of without leading to formal investigations. While the responsibility for the three prosecutions that have been mentioned rests with the counsel who have been appointed to conduct them, necessary consultations with such counsel and preparation of material for their use have been taking up a large proportion of the time of several members of the staff.

With regard to the second question my hon. friend mentioned, that is an export industry whose operations in the United States do not fall within the purview of our act: Without expressing an official opinion, I might say that having regard to the general shortage of newsprint in the world at large, and the very great demand for it, it would not have been surprising had the price gone higher than it has, on the basis of supply and demand alone.

Mr. Knowles: I take it from the minister's answer to the first question that the setting up of this commission that is considering possible changes in the act is not being allowed to interfere with the normal work of the branch.

Mr. Garson: I am glad my hon. friend raised that point. There is no interference with the work of this board at all. In the first place the commission is composed of men who are entirely outside the branch. They are all eminent men. Dr. Mackintosh is, in my personal opinion, the leading economist in Canada. Professor Maurice Lamontagne, is one of the leading younger economists. Mr. Justice MacQuarrie is from the Supreme Court of

Nova Scotia, and the other gentleman is Mr. Curtis, the dean of the university of British Columbia law school. I do not believe it would be possible to get four better men to conduct an inquiry of this sort. Their terms of reference are very wide, and no restriction is imposed upon the commission in any way. No specific matters have been referred to them. What we want is their opinion, after a careful examination, as to what, if any, changes could be made in the act to improve its operation.

Item agreed to.

144. To provide for the revision, classification and consolidation of the public general statutes of Canada, $75,000.

Mr. Fleming: Could the minister tell us what progress is being made with the revision of the statutes?

Mr. Garson: Progress in matters of this kind is never quite as rapid as one would hope. On the whole we regard it as satisfactory. Some of the products, not so much of the commission itself, but of the work which is being done by Mr. Driedger in the drafting and consolidation of statutes, have come before this house from time to time.

Mr. Fleming: The minister has not indicated when he expects the work to be completed. My recollection is that when Mr. Ilsley obtained authority from the house to undertake this consolidation he indicated that the task would cover about three years. I am speaking from memory now, but that must have been two years ago. Can the minister indicate when we may expect completion?

Mr. Garson: I believe, Mr. Chairman, that by the time the work is finally completed, Mr. Ilsley's prophecy will have proven to be a little bit on the conservative side.

Mr. Fleming: What do you mean by "conservative"?

Mr. Garson: His estimate of time will have proven to be too small. I should think it will take not less than two years from the present time to complete this task.

Item agreed to.

145. To provide for the revision of the Criminal Code, $50,000.

Mr. Fleming: What progress is being made with the revision of the Criminal Code and when may we expect completion of the task?

Mr. Garson: We would expect that in not less than two years.

Item agreed to.

[Mr. Garson.]

Penitentiaries—

146. Administration of the office of the commissioner of penitentiaries, including $35,000 for grants to recognized prisoners' aid societies, as may be approved by the governor in council, $263,430.

Mr. Bryce: When the minister's estimates were up last year, I believe I asked him about the quota for prisons. I explained to him that I thought the quota for a prison should be something like the crew on the *Queen Elizabeth*, it should always be fully staffed in case of a riot or breakaway. The minister told me the quota was 80 per cent, and it has been increased. By how much has it been increased?

Mr. Garson: I have not that answer at the moment, but I can secure it and give it to my friend before the committee rises.

Mr. Bryce: Then I asked the minister about the hours and wages last year. I asked about the working week. He told me that it was under active consideration. I think those were the words he used. Can he tell me what progress he has made with regard to giving the custodians and the guards at the penitentiaries in Canada a 44-hour week?

Mr. Garson: We can report progress on that.

Mr. Knowles: Conservative progress.

Mr. Fleming: Ask leave to sit again.

Mr. Bryce: Am I to understand from the minister—

Mr. Casselman: You understand that you do not get any information.

Mr. Bryce: It is a bad example for a government department to have men working 51 hours a week when other departments of the civil service are working 40 hours a week. What is sauce for the goose is sauce for the gander. I do not think that is fair, and I hope that the minister will speed up that action. These men are as much entitled to a 44-hour week as anybody else. They are asking only for a 44-hour week.

Mr. Garson: I might reply to my hon. friend that the progress we are reporting is this. The necessary employees to put this reduction in working hours into effect has been authorized by the government and we are gradually hiring them now, so that in due course the reduction will be put into effect.

Mr. Bryce: Has the minister provided enough money in the estimates in order to take care of that?

Mr. Garson: Yes. As a matter of fact, it is already in effect in about three penitentiaries.

Mr. Bryce: Is Stony Mountain included?

Mr. Knowles: Has the minister ever been there?

Mr. Garson: I am not quite certain as to whether it is in effect in Stony Mountain but I will get that information.

Mr. Bryce: If it is not, will you see that it is?

Mr. Garson: I certainly will.

Mr. Bryce: I talked to the minister some time ago about the overtime. As to these men in the penitentiary, the custodians, guards and so on, if they work three hours they get paid for it. But if they work two and a half hours each day they do not get paid for any overtime. That is a grievance they have and I think it should be corrected.

Mr. Garson: I think my hon. friend is quite right in the statements that he makes but he just states part of the truth. They do not get paid for overtime but they get for their own use compensatory time to replace this overtime.

Mr. Bryce: I may be wrong about that, Mr. Chairman, but they do not get compensatory time, as I understand it, unless they work three hours continuously. So if they work two and a half hours, they do not get paid for it.

Mr. Garson: That is right.

Mr. Bryce: If they get two and a half hours' extra work each day, they do not get paid for it. I think the minister should look into that matter. Then as to the wages, I have raised the problem with regard to these fellows' wages before. This new commission has been set up and I think it is a good commission; they are doing a good job. But you are asking a higher calibre of intelligence and better qualifications than you ever did before. In the past you paid them street-cleaners' wages. They still get $60 a year less than the man that delivers letters. I do not say that the man who is delivering letters is getting too much; far from it. But these fellows should be getting the same; that is, another $60 a year. Forty per cent of them still are at these low wages. I think the minister should look into that matter too. Can the minister tell the committee something about the houses that have been built in different parts of Canada for the penitentiary employees, and the rents charged at the different places?

Mr. Garson: I might take a place that my hon. friend, I am quite sure, will be particularly interested in because it is in his own constituency. At Stony Mountain we have built twenty houses within the last eighteen months to two years. Those houses cost approximately $9,000 and they are rented for $35 a month.

Mr. Bryce: How does that compare, as to rent, with the houses at St. Vincent de Paul or Kingston?

Mr. Garson: The houses that will be used by the different penitentiary personnel of course will not all be of the same age. Some of them, such as those at Stony Mountain, were constructed within the last one and a half or two years, and others are much older. As to the rents that are charged for them, we try to make them comparable, having regard to the difference in age, the difference in quality and the like.

Mr. Bryce: I want to know how they compare. Let us take, for example, a house with three rooms and a kitchen. It does not matter whether it was built ten years ago or last year. Take, for instance, a three-room house or a four-room house at the different penitentiaries. How do the rents compare?

Mr. Garson: It would be obviously impossible for me, Mr. Chairman, to make comparisons of the houses at all the penitentiaries in Canada. But taking again one in which I am sure my hon. friend would be particularly interested, these houses at Stony Mountain are six-room houses, fully modern in every way, having been built within the last two years. They cost $9,000 and they are rented at $35 a month. We think that is a fair deal for the employees.

Mr. Bryce: I do not think that the minister has just answered my question. I am trying to get a comparison between the different penitentiaries, because I have had a great many complaints about these houses. I do not want to condemn the houses until I can get the facts from the minister and weigh them for myself. I know that the minister must have had some complaints about them.

Mr. Garson: No, I have not had any complaints. Might I ask my hon. friend to specify what ones he is complaining about? Then perhaps we could tell him what the type of house was, the rent and so on. But if he just states a question in general, it is difficult to answer it. What ones are you complaining about particularly?

Mr. Bryce: What I want to get at is this. The minister tells me that they charge $35 a month for the houses at Stony Mountain. What do you charge for the same kind of house at St. Vincent de Paul?

Mr. Garson: We have not any of the same kind of house at St. Vincent de Paul.

Mr. Bryce: Have you nothing by means of which to make a comparison?

Mr. Garson: These ones we are talking about at Stony Mountain have all been built within the last one and a half or two years. As I indicated before, not all these houses at all the penitentiaries are of the same age or of the same quality; nor are they alike in many respects. So that if my hon. friend has a complaint to make about some specific house, if he would tell us what penitentiary he is talking about and what type of house it is, we shall be glad to give him the figure as to the rent, what kind of house it is and the like.

Mr. Bryce: To stop any argument about it, can the minister supply me with the rent and the number of rooms in the houses at the different penitentiaries?

Mr. Garson: Not out of my head tonight, but I shall be glad to do so later.

Mr. Bryce: I do not ask for it tonight.

Mr. Garson: Certainly I will let you have it.

Mr. Bryce: You will let me have that?

Mr. Garson: Certainly.

Mr. Bryce: Then I will have that information.

Mr. Garson: I shall be glad to do that for you.

Item agreed to.

PRIME MINISTER'S OFFICE

Privy Council office—

277. To provide for expenses of the royal commission on national development in the arts, letters and sciences, $175,000.

Mr. Macdonnell (Greenwood): Will the Prime Minister say something about this?

Mr. St. Laurent: I understand that the royal commission has practically finished its public hearings with the exception of those that are to take place in Newfoundland, and that they are leaving for Newfoundland on July 6. I further understand that the work of preparing the narrative part of the report has reached an advanced stage, and that the commissioners have been working very steadily and continuously at the consideration of the recommendations that it will be proper to make in that report whilst supervising the furtherance of the narrative part of the report.

I hope that the report will be available in the early fall. Of course that is a hope, but the conversations I have had with members of the commission have led me to hope that we might expect that sometime in October we can get this report. I know the members of the commission have found the work very interesting; but they are men and women who have other important duties; and they feel that it will be desirable for them to discharge their responsibilities in this connection just as expeditiously as will be compatible with the purpose of a job which they wish to be one that will be helpful to the Canadian people and a credit to themselves.

Mr. Macdonnell (Greenwood): Can the Prime Minister give us any special reason for the substantial increase in cost? Was the scope extended from that originally intended?

Mr. St. Laurent: The general scope was not extended, but it was found by the commissioners as they went along that they would expedite their work by employing a larger staff than they had when they started out, and by getting special studies made by ladies and gentlemen who they felt were qualified to make those special studies for them.

Mr. Fleming: In view of the importance of the report may I ask if when it is printed the Prime Minister will send copies to the members without waiting to table the report at the next session?

Mr. St. Laurent: That is a matter which will receive consideration. The public will be anxious to get the report, and we will be anxious to act in such a way as will not incur displeasure from the public.

Item agreed to.

Federal district commission—

279. Expenses of the national capital planning committee, $100,000.

Mr. Fleming: Will the Prime Minister give us a brief report of what progress is being made with the national capital project?

Mr. St. Laurent: Hon. members will recall that a preliminary report was made on the plan last year. I will just say in a general way that it is to be a master plan to indicate what would be the desirable things to have done for the purpose of a convenient national capital for a larger population than Canada has today, without its being intended to carry out the project in any short number of years. It is designed more particularly to prevent the doing of things that might have to be undone to achieve the ultimate implementation of the plan.

I understand that the final report of the Greber commission is for a large part now in the hands of the printer and will be available quite soon. Hon. members will recall that

in the preliminary plan one of the first things suggested was the building of this bridge over the canal and the railway lines to try and avoid some of the congestion in this part of the city, and that is now under way. An arrangement has been arrived at with the city of Ottawa whereby its contribution to that project will be $300,000 and the federal district commission will provide the rest of the costs of the bridge. The contract for the bridge has been let, and that is preparatory to the other project of trying to do away with the railway tracks that come into the centre of the city, which it is felt contribute materially to the congestion which I am sure all hon. members have noticed is quite serious. I noticed it not more than two and a half hours ago when I had to go out to Government House. I thought I had provided ample time, twenty minutes, to get there, but I got there ten minutes late because of the traffic conditions.

Mr. Knowles: Look at the trouble you are going to have when you live out that way?

Mr. St. Laurent: Well, if there is no more rapid progress than has been made there is some chance of there being an improvement in conditions that will relieve traffic.

There has been and there is being constant progress made, but it is designed to keep pace with the appropriations that are provided by parliament for the implementation of the plan.

One subject that is still under discussion results from the declaration made by the Minister of Finance. Everybody knows that the city of Ottawa wants a new city hall. The Minister of Finance said that, if they placed the city hall on one of these sites that the plan indicates as proper sites for permanent public buildings, the federal district commission would contribute to the cost of the city hall.

There is no desire to have the city hall go on one of these sites, because it is felt that ultimately they will be required for buildings devoted to public purposes. If the city of Ottawa chooses—and it is still under discussion, I understand—to erect an office building for a city hall elsewhere, that would not interfere with the ultimate implementation of the plan; it would not interest the federal district commission. This is one of the matters that are taking up some of the time of the federal district commission. There is another, the acquisition of land for the relocating of railway lines and sidings. That is proceeding. Another matter that has occupied their attention for the purpose of creating a feeling throughout the whole country of its interest in the national capital was the preparation and exhibition of the model which has been shown throughout the country and which has been seen by a very large number of Canadians and certainly has had a tendency to make them more interested in the capital city of the nation.

There are a great many things that will be done—not all at once, but successively—that are engaging attention. One is the selection of a site for a proper national gallery. The other evening hon. members expressed the hope that more convenient arrangements would be made to display and even to increase the treasures which have accumulated in the Canadian national gallery. I know the governors of the gallery are discussing with the federal district commission the selection of a site where a new gallery could be provided.

These are all matters which will, of course, be brought individually before parliament, as soon as they are ready for execution.

Mr. Noseworthy: What provision is being made so that hundreds of thousands of visitors to parliament hill in Ottawa may have a glimpse of that model?

Mr. St. Laurent: I understand work is being done to it to make it more complete. There was a most interesting suggestion in one of the Ottawa newspapers recently that during the summer months it should be on exhibition in these parliament buildings. That suggestion by the newspaper is receiving consideration.

Mr. Macdonnell (Greenwood): Would the Prime Minister refresh our memories—and perhaps I should know—as to just where the powers and responsibilities lie from now on. Is it wholly in the federal district commission? The Prime Minister has referred to a further report as to the over-all plan to be produced this autumn and which, I think he said, would be distributed. To whom is it to be distributed? Is the matter of planning and execution wholly in the hands of the commission, so that all that rests with us is from time to time to vote the amounts required?

Mr. St. Laurent: There is a national planning commission. The architect employed by that commission is Mr. Greber, who has a staff assisting him. Mr. Greber's work goes to the national planning board and they report it to the federal district commission. The federal district commission reports it to the governor in council, and the Prime Minister reports it to the House of Commons. The real control lies in the fact that, unless it is something that meets with the approval of the House of Commons, it could not proceed. The house is called upon each year to provide an appropriation for its implementation, and it could make its displeasure known.

I suggest that provides pretty effective control over the progressive implementation of the plan.

Mr. Macdonnell (Greenwood): As it is we are now asked to vote $2,500,000. I understand that is toward a fund which is accumulating and will be used for the carrying out of the plan. Would it be possible in future to have something in the nature of a progress statement—and when I say "progress" I am not referring to the actual work, but rather to progress in what is contemplated. We would have from time to time in that way some information as to just what stage we have reached when we are asked to vote money.

Mr. St. Laurent: There is an annual report filed with the governor in council and tabled in parliament.

Item agreed to.

Federal district commission—

280. To authorize payment of the third instalment to a special account in the consolidated revenue fund, known as the national capital fund, established under vote No. 809, Appropriation Act, No. 4, 1947-48, $2,500,000.

Mr. Knowles: Has any of this money put into this fund been spent, or is the full amount on hand? I take it the total amount that has been put in is $7,500,000, or at least this vote will bring it to that amount.

Mr. St. Laurent: I am sorry I have not the capital account here. I have information with me respecting receipts and expenditures during the course of the last year. However, I have not the information as to the capital account showing what amounts of the three grants of $2,500,000 have been expended, and what amounts still remain.

Mr. Knowles: I take it that some of the money has been spent out of the capital fund, as well as the running expenses we voted in the last item?

Mr. St. Laurent: I think that is correct.

Mr. Fleming: What were the expenditures last year? I understood the Prime Minister to say that he had with him an account of the expenditures made against the national capital fund.

Mr. St. Laurent: No, if I gave that impression I was wrong. I have expenditures of the maintenance vote of the statutory sum of $300,000, and of the expenses of the national committee. I have not the expenditures made out of the capital grant of $2,500,000.

Mr. Fleming: Are expenditures being made out of that fund or is it being accumulated? Apparently this is the third of three annual instalments of $2,500,000 each.

[Mr. St. Laurent.]

Mr. St. Laurent: I shall have to secure that information. I can get a statement for the hon. member as to what capital expenditures have been made out of these grants. I have not the information with me.

Item agreed to.

Governor general and lieutenant governors—

130. Office of the secretary to the governor general, including the salary of the secretary to the governor general at $7,600 additional to salary authorized by R.S.C. chapter 182, $117,065.

Mr. Knowles: There is one question I should like to ask the Prime Minister, and I am asking it under this item, not because I wish to highlight the particular case referred to here, but because I have in mind a number of other cases similar to it. I refer particularly to the comment of the Auditor General with relation to items in the estimates such as this which legislate and in some cases have the effect of varying the provisions of statutes. If I may say so, I note that the Prime Minister has been responsible for tidying up a number of things like this, and it would seem to me that the suggestion of the Auditor General would appeal to him.

The Auditor General points out that in this instance, as with the salaries of the civil service commissioners, the statute sets the salaries and then an additional amount is provided by this kind of item. The Auditor General suggests that the proper course to follow would be to amend the appropriate statute. I wonder if the Prime Minister agrees with the Auditor General and with me on that point?

Mr. St. Laurent: I certainly do. I shall be happy when we can arrange things so that we shall be asking parliament to legislate under the appropriate acts.

Mr. Knowles: To show my appreciation of the comment just made by the Prime Minister I shall not raise the other cases I had in mind. I express the hope, however, that he will have his officials look at all the items referred to in the Auditor General's memorandum.

Mr. St. Laurent: We have already discussed these matters, and hope to do what the hon. member has suggested should be done in the way of cleaning up some of these practices, which, while not reprehensible, are not the way we hope to be doing them in due course.

Item agreed to.

LEGISLATION

House of Commons—

175. General administration—estimates of the clerk, $873,335.

Mr. Knowles: I should like to ask one or two questions of His Honour, who I believe

is piloting these particular estimates through the committee. I should like to inquire whether the practice brought in last session of giving a week's pay to members of the sessional staff at the end of the session will be continued this session. At the same time perhaps His Honour can state whether this will be a permanent practice.

Second, has any consideration been given to revising the salaries of employees of the house whose salaries were not revised in the last two or three revisions that have taken place? I realize that this is something that involves a relationship between the House of Commons and the civil service commission, but hon. members will recall that once in a while these reports come before us for approval. There are certain categories of employees and certain individual employees whose salaries were not increased on those occasions, and I wonder if consideration will be given to their cases.

Third and last, is any consideration being given to changing the basis upon which sessional employees work? Quite a number of our employees are on annual salary, some being required to be here the whole year, while others are required to be here only while parliament is in session. There are other employees, however, and I have in mind particularly the stenographers who work for us, who are employed only during the session and for such additional period as may be necessary, and who have no other income for the remainder of the year.

I have suggested before that they be put on an annual basis, and in saying that I do not suggest that the annual salary should be unreasonably high, considering the fact that they would be working only a certain number of months in the year. It seems to me that consideration might be given to providing some reasonable basis upon which they would be paid an annual salary and in turn required to work for the time that we need their services, just as is the case with our good friends the *Hansard* reporters whom we are working to death today.

Mr. Speaker: In regard to the first question, I may say that the extra week's salary was given at the close of the first session of this parliament when we were approaching the Christmas season, and it was felt that we could be a little more generous at that season of the year than we had been at the close of other sessions. We felt that this session reasonable notice had been given to the sessional employees of when the session might end, and for that reason additional salary after the close of the session has not been provided. I might say that a number of the sessional employees are being retained for three or four days after the close of the session.

The hon. member for Winnipeg North Centre then asked whether there was to be a revision of the salaries of employees who had not received an increase. I can assure him and the committee that this matter is receiving the attention of those responsible, and I expect that a further report will be brought in next session. That, of course, does not include all the employees who did not get an increase, but there are certain employees who we feel should receive an increase as soon as possible.

The third question was with regard to setting up a permanent establishment of sessional employees. I do not know whether the hon. member intended to include all sessional employees in the house, but he did refer to the stenographers. Many more stenographers are required during the session than between sessions, and it would be difficult, and I do not know whether it would be practicable, to have a great many stenographers around the building during a recess with nothing to do. I realize the difficult position in which some of them find themselves, having worked here for three or four months and then probably not securing work elsewhere. The matter is receiving consideration, but I cannot say that we are near to reaching a solution to the question. I would say, however, that we hope to set up a permanent establishment with a definite number of stenographers who will be retained throughout the year.

Hon. members realize that between sessions members come to Ottawa and need stenographic service; therefore it is necessary to have a number of stenographers available. The matter is receiving our careful attention and we hope that at the end of another session we shall have something definite to report.

Mr. Knowles: I want to thank the Speaker for the answers he has given to my questions. I thank him particularly for the answers to the second and third questions. I am sorry that the answer to the first was in effect in the negative. It seemed to me that the gesture made at the end of the last session was a reasonable one. I recall that at Christmas time we often express the hope that the spirit of Christmas will last the year round. It would seem to me that the same good will we were prepared to show to our employees just before Christmas should be shown just before Dominion day, especially at a time when their employment is being terminated. I will not extend the argument, except to express the hope that it may yet be considered. Indeed, if no other way can be found

I hope it may be possible to keep the sessional staff employed for a few days after the conclusion of the session. After all, there is a lot of work to be cleaned up.

I wish to make one other comment about the third matter I raised, namely, a yearly basis for the stenographers. There is one point of clarification I should make in case I did not make it clear before. I was not suggesting that we should keep a large staff of stenographers around the building for whom there would be nothing to do during the months when the members are not here. I suggested that they be put on the same basis as the *Hansard* reporters. We pay them annual salaries. We require them to be here when we need them, and I think they earn their annual salaries during that time, without doubt. During the months when members are not here they are free to go on holidays, brush up their shorthand, do court reporting or whatever they wish. My suggestion was that the stenographers might be put on the same basis. I shall not ask for a further answer tonight, but I thought I should clarify that point, particularly in view of the fact that the Speaker has indicated these matters are under consideration.

Mr. Smith (Calgary West): Mr. Chairman, I hope the remarks I am about to make will be under the right item. If they are not, I crave your indulgence, because even a fat man must eat occasionally.

The matter I intend to speak about concerns something as to which, if the rules of the house permitted it, I would move a motion and if necessary divide the house thereon. Unfortunately the rules do not permit me to move a motion involving money matters. I hope that I may spare the blushes of the Speaker in what I am about to say, because I intend to say something later with which he may not entirely agree. If I were able to, the motion I would make is that we should supply our Speaker with at least $5,000 per year as an entertainment allowance. As one of those who has enjoyed his hospitality, I would be in favour of such a move.

That is not the basic reason for what I have in mind. After all, we as members of the House of Commons can only act or speak through Mr. Speaker. During the last session and the present one, in fact ever since he has been Speaker, on occasions when persons of prominence from other nations have visited us, he has discharged his responsibility better than any other individual I know, and I mean all of us. He has permitted some of us, not chosen by lot but no doubt on some basis of that kind, to go into his chambers and meet these delightful people. I am sorry I was away the other day when he had a social affair in the railway committee room. I, who know something about the cost of entertainment even in my little two by four room, know that that function cost him plenty of his own money.

We are the only country I know of—and I mean civilized countries—that does not make such an allowance. Taking the United Kingdom, United States and Canada, we are the only country of those three where the Speaker of the lower chamber—and I use that word with great respect to what we sometimes call the upper chamber—is not provided with an entertainment allowance. We give him an allowance of $3,000 in lieu of a residence. I am sure that he spent two-thirds of that amount in one entertainment which he provided for us in the railway committee room of the House of Commons. What I am anxious to do is to assure the government that in another year they will receive all the support I can possibly give them if they will do something about my suggestion.

What are we? Where are our instincts of what is right, what is dignified and what is decent hospitality? Someone may say: Go ahead and put up your own money; that is all right. We know that things like that are utterly impossible, because in a group like ours the collector is always out money at the end of the road. I have collected dozens of times, and I know. I think, Mr. Chairman—and I say this with the utmost sincerity—that if we have any respect for ourselves we will permit the gentleman who is our leader in this house and who speaks for us to do the decent thing so that he may maintain his own dignity and we as members may maintain ours. I suggest that in another year something along that line should be done. I am quite prepared to name amounts, but that makes it commercial and I do not want to do so. I do not think we appreciate the things which the Speaker has done for us during the present session.

I turn now to something else, and in saying this I want to make it plain that I am not referring to any individual who spoke today or yesterday or anything of that kind. We have a rule that speeches may not be read in the House of Commons. In saying that I am not talking about any individual who reads a speech, Mr. Chairman. If this practice which is growing so fast continues, then this place will lose its value as a place in which contributions are made by individual members for the good of the country. I am going to go this far; if this practice continues we would be infinitely better off to adopt the rule of the congress of the United States whereby a man just files his speech on the congressional records. He puts in his

laughter, his hear hear's, his chuckles, loud cheers and all that. If we are going to read speeches, let us at least be frank with one another and with the people.

When I came to Ottawa I know I had a vision of a great many people back home who would be interested in what I said. I soon discovered that was not true, and I learned my lesson well. The net result has been that I have never sent out copies of any speech I ever made to anyone in the whole Dominion of Canada. I could have paid the $15 per thousand, or I could have paid the extra $1 to have my photograph on the copies, but that would ruin any speech so I did not touch it at all. I say that this is the place where we may express our views, and it will lose its value if there be any doubt about the views we express being our own views. When we are allowed to read speeches in this chamber, no one can be certain we are expressing our own views. I think it infinitely better to adopt the Washington rule of filing the speeches. Members can buy their copies afterwards, and have their photograph on them to send home. They are marked then that they were filed. I used to picture myself addressing a crowded house and crowded galleries, but never had I had more than fifty per cent above a quorum at any time that I have said anything. I am not suggesting that the Speaker has not been fair. I know he relaxes the rules and properly so, for maiden speeches. No one can argue against that. In the new session, whenever it comes, let us express our views with the greatest latitude, but let us not lead people into thinking we are expressing our views when we are simply reading from a magazine.

We are not allowed to read newspapers. I have seen better speeches in many newspapers than I have ever made, and better than I have heard in this House of Commons. I do not think we should steal the thunder of these newspapermen. Now they are called columnists, and they all have bylines. They all get credit in the newspaper for their material, and they should get credit if I, for example, use their material in a speech.

In conclusion I should like to say that our present Speaker, in fairness, in good judgment, in good humour, is the best person I can think of for the position. I am sure that the whole House of Commons will wish him well in this trip he is taking abroad, I hope at the expense of the British government. He is such a modest fellow he may say: "I have $18 left in my house allowance, so I shall chip in with that". I hope he never does that.

Mr. Fair: Mr. Chairman, as one of the members in a distant corner of the house, I can endorse the very kind words expressed by the member for Calgary West with regard to our Speaker. We have no complaint as to his fairness. I believe he treats all sections of the house with equality, so that he can rest assured that we in this corner can endorse the remarks made by the member for Calgary West.

There is one small matter I should like to mention at this time. Those of us who come to the buildings fairly early in the morning meet a number of charwomen leaving the building. I understand that the most of them are widows who find it necessary to work. I have heard that some fairly well-to-do married women, whose husbands have good jobs, are also employed. The general consensus is that these positions are supposed to be reserved for women who are in need. I understand they draw about $30 a month. They arrive here at six o'clock in the morning, in good weather and bad, and clean our offices. Many of these women have been here for twenty or twenty-five years, but before they are of pensionable age many of them are unable to continue this work. Then they do not know where they are going to get the money to replace what they have lost. I understand that no pension of any kind is provided for them. I am wondering whether something could not be done. Many mornings I meet these women, and I feel that some of them should not be here. They should be at home enjoying a long holiday in the evening of life. Perhaps while everyone is in a good humour something might be done to help these women.

Mr. Speaker: I believe I should say a few words, first in reply to the hon. member for Battle River with respect to the wages paid charwomen. They receive $2 per day, and I believe they work for a few hours in the morning. If that amount is not considered sufficient, the matter can be reviewed, and I can assure him it will be reviewed.

I should also like at this time to thank both the member for Battle River and the member for Calgary West for the complimentary remarks which they have made about me, particularly the remarks made by the member for Calgary West. His remarks were, of course, greatly exaggerated, and as he said I was somewhat embarrassed. I want to assure the house that I appreciate the splendid co-operation which I have received from all members on both sides of the house during the time you have honoured me with this very important position. It has been a pleasure for me to act in this very high office,

but if I had not had the co-operation which I have received the position would have been a difficult one indeed.

I do not recall all that has been said by the member for Calgary West, but I can assure him, and the other members, that I shall obtain a number of additional copies of *Hansard* and hand them to my children, so that they in turn can hand them to their children.

As this will probably be the last night that the House of Commons will sit this session, I feel that I should like to shake hands with all members, especially in view of the very kind remarks which have been made and the applause which greeted those remarks this evening. At the close of this session I hope the members of the house and of the press gallery will come to my chambers so that I may shake hands with them before we leave for our homes.

[*Later:*]

Mr. St. Laurent: May I have the unanimous consent of the committee to give the information I was unable to give a few minutes ago when the estimates of the federal district commission were being considered.

Some hon. Members: Agreed.

Mr. St. Laurent: I apologize for not having had the figures at that time. Of the $5 million which had previously been placed in this national capital fund, $500,435 has been expended to date for the acquisition of land for the industrial area and for the railway cut-off lines and freight lines. That is the amount that has so far been expended of the $5 million provided in this national capital fund.

As to vote 725, of $1, it is to provide authority to make expenditures for the replacement of the railway lines; and those expenditures will naturally have to come out of this national capital fund, as will the cost of the bridge for which the contract has just been let.

Mr. Graydon: May I just raise one other question with respect to this legislation item. As one who has been somewhat discouraged over the progress that we have made when we had committees set up previously to try to improve the rules and procedure of the house, I want to say this. Perhaps another try ought to be made at it. I despaired of finding some common denominator by which committees can find a way of recommending something worth while to make an improvement in our house procedure and rules. But perhaps we should not give up. The last time we had a committee—I believe it was a year or so ago—a good deal of work was done in connection with it. We were able to come to agreement on certain things, but they were not important things as to which we found common ground to work on.

With a new parliament, however, and with many new members in it, those members themselves must see great difficulties in connection with our rules and procedure and must be aware of great improvements that could be made. In private conversation from time to time some hon. members have expressed to me, as they have to each other, a desire to see something done with regard to this matter. The matter of the sitting hours of the house is, of course, one of the problems and is something with which I think everyone is pretty much dissatisfied. The hours from three o'clock to eleven o'clock, with two hours recess from six o'clock to eight o'clock, make a day that is quite wearying and quite trying for most members when the session goes on for a long period of time.

I have made this suggestion before, and I am going to make it again, although I know that there are great difficulties in carrying it out. It is that, somehow or other, we ought to be able to start our sitting at one o'clock and end at seven o'clock. I think that would be a sensible kind of arrangement. I know that the Prime Minister and the cabinet will see some objections to that procedure, inasmuch as it cuts into their time for cabinet council meetings. Nevertheless, if a committee were set up next session, and if we made an aggressive attempt to try to straighten out these kinks in our procedure, I think that would meet with the approval of every member of the house. I suggest that on that committee, which should not be too large, we ought to have some of the new members who have not been in the house for a long time and who have not got into any grooves or ruts. Between those with more experience and those who have come in fresh, I think that we ought to be able, at the next session, to do something to improve our procedure and to modernize the rules of the house generally.

I make the suggestion that Mr. Speaker, the clerk of the house and the assistant clerk, if they have any time at all in between the two sessions, might perhaps give some thought in an informal way to some of the things that could be dealt with by a committee like that. Then if the Prime Minister could see his way clear at the beginning of the session to set up a small committee, we might get down to business and make one final attempt to see if we could not find some common ground whereby we could have some

improvements made in our rules of procedure governing the way in which our business is conducted.

Mr. Speaker: I can assure the hon. member for Peel that I too have felt that there should be a revision of the rules, and I know that a number of other hon. members have had the same feeling. The question was raised previously this evening by the hon. member for Calgary West but I was so overcome by the complimentary remarks he made about me that I neglected to refer to the point he raised with respect to the reading of speeches. I took the attitude which he mentioned, of allowing considerable latitude this session and last session to members who were in the house for the first time. But now that most of us have been in the house for at least two sessions, probably the house would support me if next session I tried to enforce the rule respecting the reading of speeches.

Item agreed to.

House of Commons—

178. To provide hereby, notwithstanding anything contained in the Consolidated Revenue and Audit Act or the provisions of the Senate and House of Commons Act respecting the independence of parliament, for the payment out of the consolidated revenue fund to each member of the House of Commons appointed by the governor in council to be a parliamentary assistant (which appointment shall not render such member ineligible or disqualify him as a member of the House of Commons) to assist a minister of the crown in such manner and to such extent as the minister may determine and to represent his department in the House of Commons in the absence of the minister therefrom, a salary of four thousand dollars per annum and pro rata for any period less than a year, $56,000.

Mr. Cruickshank: I should like to say a word in connection with this item. I happen to have the privilege of sitting in the midst of nine parliamentary assistants. I am right in the centre of them. I should like to move either of two motions. I should like to move either that the item be reduced to $1 or that the hon. member for Fraser Valley get $4,000 for writing their speeches and telling them what to say.

Item agreed to.

House of Commons—

179. To provide for an allowance to the deputy chairman of committees, $2,000.

Mr. Knowles: May I just say that I am sure that members in all parts of the house are happy to vote for this item; and if there were time there would be a great many well-deserved tributes to the recipient.

Mr. Cruickshank: By all except one.

Item agreed to.

DEPARTMENT OF FINANCE

Public debt charges—

97. Commission for payment of interest on public debt, payment of premiums on government of Canada sterling securities, services of fiscal agents, London, registrar's fees, etc., $406,100.

Mr. Macdonnell (Greenwood): Mr. Chairman, when we came to the end of the first consideration of the finance estimates, my understanding was that we had just come to item 96. I told the minister that I wanted to ask a question as to the amount of $6 million shown under the heading of "appropriation not required for 1950-51". I had sent word to the minister in advance, and I hope perhaps I may get some details of that amount.

Mr. Sinclair: This item for the amount not required is with regard to the payments in respect of flour contained in wheat which was paid to the millers under the wartime act. That was cancelled on March 23 of last year, but last year's estimates had been prepared of course before that time, and therefore there was an item in last year of $6 million, which was never used. We are just drawing attention to the fact that that item is no longer in the estimates.

While I am on my feet perhaps I should answer the questions which the hon. member for Lake Centre asked the Minister of Finance when the estimates were up last, and which the minister promised to answer. The first question is to be found on page 4073 of *Hansard.* He asked the names of the various representatives in the province of Saskatchewan of the Farmers' Creditors Arrangement Act. It is a fairly lengthy list, and with the permission of the committee I should like to include it in the record. The list follows:

Statement A

Office of the Registrar of the Appeal Court, the F.C.A. Act, 1943, Regina, Saskatchewan, April 1, 1949 to March 31, 1950

	Total salary
C. W. Hoffman, registrar	$3,600.00
Mrs. H. McPhaden, stenographer	1,884.00

Fees paid to official receivers in the province of Saskatchewan for the fiscal year April 1, 1949, to March 31, 1950

M. C. R. Batten	$ 25.00
H. J. Bell	50.00
C. E. Bradley	25.00
J. M. Bright	25.00
W. G. E. Campbell	....
M. W. Coxworth	....
L. G. Dafoe	....
P. J. Dixson	40.00
G. Epp	40.00
A. N. Forcier	50.00
W. O. Fraser	....
J. E. Friesen	75.00
J. N. Gale	....
D. C. Gerrand	....
J. M. Goldenberg	....
E. D. Hancock	....

Fees paid to official receivers in the province of Saskatchewan for the fiscal year April 1, 1949, to March 31, 1950—Concluded

E. B. Hutcherson	$ 75.00
J. R. MacDonald	75.00
H. MacKay	390.00
J. A. MacMillan	....
C. B. McGregor	....
S. H. Miskiman	....
D. J. Mitchell	25.00
H. A. Rutherford	75.00
A. R. Smith	....
C. Stackhouse	....
G. S. Thompson	....
E. G. Waterman	....
Mrs. J. F. Watt	....
S. Windsor	....

In his next question he asked for particulars as to the number of cases in which forfeitures had taken place under the Foreign Exchange Control Act in each of the provinces during last year, and the number of cases in which there has been a return of moneys taken. Our records are not kept by provinces. I have here a return of the disposition of seizures in the country in 1949 and for the first five months in 1950, which I would also like to put on the record. It reads as follows:

Statement B

Disposition of Seizures of $100 and Under

1949	No.	U.S. dollars	Canadian dollars
Cases dealt with	2,657	$68,465	$14,300
Seizures maintained	1,097	22,707	10,236
Seizures returned	1,560	45,757	4,064
Per cent maintained	41	33	71
1950—January to May			
Cases dealt with	545	$15,058	$ 3,144
Seizures maintained	233	5,019	2,090
Seizures returned	312	10,039	1,054
Per cent maintained	42	33	66

The third question asked was:

What was the total amount paid in legal fees last year?

It may be found at page 4082 of *Hansard*. The answer is as follows:

Statement C

A. Gervais, Murray Bay, P.Q.	$6,501.63
F. Monet, Ottawa (Includes some accounts of 1946, 1947, 1948 and 1949)	5,465.35
J. R. Johnson, Toronto	5,065.80

At page 4092 of *Hansard* the hon. member for Greenwood asked for the number of offices and the amount of space used by the wartime prices and trade board. There are 39 regional district and branch offices occupying a total of 103,591 square feet.

Item agreed to.

Payments to municipalities—

Grants to municipalities in lieu of taxes on federal property—

100. To provide for administration of the program respecting grants to municipalities in lieu of taxes on crown property outlined in the House of Commons on November 14, 1949, including grants and other payments to be made in accordance with regulations of the governor in council, $1,655,000.

[Mr. Sinclair.]

Mr. Macdonnell (Greenwood): The matter of grants to municipalities in respect of crown properties was up last November and the minister stated at that time, and it was stated again at the time of the speech from the throne, that there would be legislation. You may say that by passing this item it is legislation, but we have no legislation. The only authority we have for this is to pass this very item. I think this is a very extreme case of the kind of thing that was pointed out earlier, and which I think the Prime Minister said he would put a stop to.

Mr. Sinclair: This matter of municipal grants has occupied great attention in our department in the last two or three months because of the work of the committee which is now progressing very satisfactorily. However, because of some of the difficulties they encountered and because they felt the legislation would be better if we waited until the end of the year when they had assessed all the cities in the country which had more than four per cent and when they knew exactly the problems they would encounter, the legislation has not been introduced. One problem which was not anticipated was the matter of wear and tear on roads and snow removal in municipalities which had completely self-contained camps such as military camps. In the original statement these camps would not be included in tax computations. Nevertheless there is a loss of revenue to the municipality because of things like that. There are difficulties which are now being sorted out and it is still the intention to bring down an act, but it was felt it would be better if they waited until they had a complete survey of the problems arising out of this proposal, which is progressing very well at the moment.

Mrs. Fairclough: Will the legislation be prepared in time to be operative next year?

Mr. Sinclair: The original statement on this said that the grants would be paid from the beginning of this year. No matter when the final assessments are made the grants are retroactive to January 1, 1950.

Mrs. Fairclough: Do they apply only to those municipalities where the assessment on federal property is in excess of four per cent of the total assessment?

Mr. Sinclair: That is quite right.

Mrs. Fairclough: In what proportion are they paid, in ratio to the amount over and above the four per cent?

Mr. Sinclair: Yes, three-quarters of the normal taxation rate over four per cent; but in addition to that crown corporations make their own taxation agreements, and aside from that, in the municipalities in which they may be located—

Mr. Macdonnell (Greenwood): Are there not some special agreements in respect of large railway properties?

Mr. Sinclair: Local properties?

Mr. Macdonnell (Greenwood): Where there are large railway properties.

Mr. Sinclair: Yes, but in the regulations that is all spelled out. There are special regulations both as far as crown companies are concerned and also all municipalities where the government comes in and acquires existing property. Even though there was a doubt as to payment of taxes there on the question whether the municipality in question had more than four per cent or not, provision is made for tapering off of taxation, covered by regulations in the *Canada Gazette*, part II, of February 17, 1950.

Mrs. Fairclough: In arriving at the amount of the total assessment, although the crown companies make their arrangement, is their assessment included in the total assessment to arrive at the figure which would determine whether or not they are eligible?

Mr. Sinclair: No, the crown companies pay on their property in accordance with normal taxation procedure.

Mr. Knowles: Is it possible for the parliamentary assistant to say yet how many cities or municipalities in the country are likely to qualify on the basis of the formula that has been established?

Mr. Sinclair: It is not possible to say yet, but the big jobs of course have been Ottawa, Halifax, Esquimalt and Vancouver on the west coast. But out of the pattern of assessments there the branch handling it is getting that work well in hand. Of course a great number of municipalities have made applications, and each of those applications will be processed. At the present time it is hoped that the entire job will be done by the end of this year.

Mr. Adamson: When the government has used the Railway Act as a method of expropriating the properties, will the properties now come under these new amended regulations? I speak of a property in the township of Etobicoke which was expropriated by the Canadian National Railways and on which there has been a great deal of disagreement. Will these come under this act?

Mr. Sinclair: I am informed that, as far as the Canadian National Railways is concerned, the taxation agreement will have to be concluded between the municipality and the railway direct.

Mr. Knowles: Would I be correct in concluding that the cities or municipalities processed thus far have been the ones which it was believed would be sure to qualify?

Mr. Sinclair: Quite right.

Mr. Knowles: On what basis are the cities and municipalities next on the list to be processed?

Mr. Sinclair: I cannot say; but I can say that the city of Winnipeg has a high priority on the list of those about to be processed.

Mr. Higgins: What is the position of a municipality in respect of property occupied by the United States armed forces?

Mr. Sinclair: I am afraid that is a matter which will have to be answered by the Secretary of State for External Affairs.

Mr. Macdonnell (Greenwood): In occupied territory.

Item agreed to.

Contingencies and miscellaneous—

102. Cost of telephone service at Ottawa for all departments, $415,000.

Mr. Macdonnell (Greenwood): A question arises here which I think was raised by the Auditor General, as to whether it is a sound plan to have a telephone service all paid for by the Department of Finance, that would be covered by this amount, or whether it should not be carried by the relative departments.

Mr. Sinclair: I am informed that if each department handled its own telephone bills it would involve a great deal of detailed accounting for some large amounts, and a great deal of very small amounts, and it was thought best in the interest of economy to have one department, especially the Department of Finance, handling all the local telephone calls and exchanges.

Mr. Macdonnell (Greenwood): I was not suggesting a change in it. My suggestion merely went to the point of having the departments, which I think is not the case now, carry as part of their own expense their share of that amount. I would not suggest it should be done in bits and pieces.

Mr. Sinclair: One difficulty would be the compiling of switchboard costs, because we

have a main switchboard, and then we have four or five satellite switchboards which serve more than one department.

Mr. Macdonnell (Greenwood): Well, I shall not pursue the matter further. I have no doubt it will be considered, and that we may get some progress next year.

Item agreed to.

General items of payroll costs including superannuation payments—

103. To provide for a government contribution to the superannuation fund in an amount equal to the estimated current payments of individual contributors in the previous fiscal year, $7,100,000.

Mr. Herridge: On June 23 last I brought the attention of the minister to a certain case in connection with a former employee of the Post Office Department who could not pay up his superannuation. In concluding his remarks the minister said he would be glad to study the situation to which I referred, and to see whether anything could be done. Is the parliamentary assistant in a position to answer my question?

Mr. Sinclair: I am sorry I did not answer that question when I answered the others. The case in question has been studied. It refers to a man who worked eight years as an employee in a revenue post office. At that time the postmaster was not a civil servant. He ran his post office on a commission basis for the government, and employed whatever staff he needed. Then that post office was made a civil service post office, so that the postmaster and the employees all came under the Civil Service Act and the Civil Service Superannuation Act. He then worked twelve years as a civil servant, employed directly by the government.

This man is in difficult circumstances, and he is now asking whether or not his eight years of service under the commission postmaster should not now be included so far as superannuation is concerned. Hon. members must realize that that would open a very wide field, because it would include within the provisions of the Civil Service Act and the Civil Service Superannuation Act people who had not been direct employees of the government. It could be extended perhaps to include employees of contractors doing work for the government. For those reasons the decision has been that his eight years of service before he became a civil servant cannot be included for pension purposes.

Mr. Knowles: Mr. Chairman, the last time the estimates of this department were being considered I had just entered the chamber and did not have certain files with me. I should like to ask the minister if he remembers receiving a letter from the superannuated federal civil servants in Vancouver, British Columbia, on March 3, 1948, to which he replied as follows—and I shall now quote the reply the parliamentary assistant made.

Mr. Sinclair: In 1948, of course, I was not parliamentary assistant.

Mr. Fulton: Did your view change when you got your appointment?

Mr. Knowles: I think the parliamentary assistant led with his chin that time.

Mr. Smith (Calgary West): You are still a good diplomat.

Mr. Knowles: This is what the hon. member for Vancouver North, as he was then, wrote to these people:

I acknowledge receipt of your letter of March 3, drawing my attention to the difficult plight of superannuated civil servants.

I agree with you that the rise in cost of living has made pensions quite inadequate to meet living costs, and I will be very glad to do all I can in representations to the government and in the house to have this situation adjusted.

Yours sincerely,

James Sinclair

Will the parliamentary assistant give us a report of what he has done in connection with making representations to the government and in the house concerning this matter?

Mr. Sinclair: I shall be glad to do so. As I said at that time, I was a private member, and I was not as conversant perhaps with the superannuation act as I am now. But I did at that time see the minister, and the minister, as will be recalled, made a statement in which he said that while it was admitted that these people on fixed civil service retirement pensions were having difficult times in those days, it also applied to those who were on pensions from companies, and those who had planned for their old age through buying government annuities, and also all the other citizens who were not under a government civil service or pension act.

He pointed out, as the hon. member will recall, that the government of Canada had subscribed part of the cost of those pensions. I must say that his argument was that, if it was a matter of helping them, then all not civil servants who were in that position should be helped. That is the intent of the report of the committee which has just been sitting to consider old age security—to see that all people who are in this plight will secure assistance, not just those fortunate enough to have been civil servants.

I could add that my knowledge of the situation since the time I wrote that letter has inclined me to agree with the views taken by the Minister of Finance.

Item agreed to.

General items of payroll costs including superannuation payments—

104. To provide, subject to the approval of the treasury board for supplementing other votes for the payment of salaries, wages and other paylist charges, $1,000,000.

Mr. Wright: I notice that last year the amount of this vote was $20 million while this year it is only one million dollars. How much of the $20 million was spent last year, and what departments drew from this fund?

Mr. Sinclair: Of this vote of $20 million last year $6,196,671.01 was paid, the details of which are as follows:

Agriculture	$471,369.00
Chief electoral office	50,000.00
Citizenship and immigration	129,000.00
Civil Service Commission	81,000.00
External Affairs	10,000.00
Finance	634,000.00
Fisheries	8,800.00
Insurance	25,000.00
Justice	1,710.00
Labour	4,606.68
Unemployment Insurance Commission	153,475.03
Legislation—Senate	5,844.00
Legislation—House of Commons	24,000.00
Library of Parliament	2,518.00
Mines and Resources	181,622.30
National Film Board	64,805.50
National Health and Welfare	13,020.00
National Revenue	904,000.00
Post Office	2,415,500.00
Privy Council	28,000.00
Public Archives	10,000.00
Public Works	73,000.00
Secretary of State	55,220.00
Trade and Commerce	223,000.00
Transport	492,180.00
Veterans Affairs	135,000.00

Last year was a year of substantial salary revisions. It is not expected that this year the upward revision will be as great. The original estimate for last fall was a little on the low side, so we have a supplementary item for another million. So, instead of a vote of $20 million as last year, of which around $7 million was used, this year we have a total vote of about $2 million.

Item agreed to.

Miscellaneous grants—

108. Royal Astronomical Society of Canada, $2,000.

Mr. Adamson: This has been an active organization, and they have written to me asking that this vote be re-established. I am glad to see it here.

Mr. Macdonnell (Greenwood): It is not an astronomical amount.

Mr. Adamson: No, but the $2,000 is helpful. I would bring to the attention of the parliamentary assistant two other societies. I am not at the moment asking for any specific grant or any specific amount in their behalf. However I would ask that in his wisdom the Minister of Finance consider them. I am referring to the Arctic Institute and the Canadian Alpine Club, both of which are doing a great deal of exploration work in districts where other government agencies do not work. They operate entirely outside the regular work of any other government branch, in both topography and photography, dealing with conditions of glaciers, climatic conditions and mountaineering conditions. I would suggest that when the estimates for next year are being considered these two organizations be not forgotten for the work they are doing, gratis, in the development of our mountain and arctic areas.

Mr. Sinclair: I shall draw that to the attention of the minister.

Item agreed to.

Miscellaneous grants—

109. Royal Canadian Academy of Arts, $2,025.

Mr. Macdonnell (Greenwood): I do not like to appear in the guise of one asking for an expenditure of more money, even though it would be just a little more. However, I would ask the parliamentary assistant to tell us what this Royal Canadian Academy of Arts, to which we subscribe only $2,025, does; and I would ask for the same information in connection with the writers foundation. We spend large sums on other things and this seems to me to be quite a small amount for what would appear to be a special purpose.

Mr. Sinclair: This amount is to help the Royal Canadian Academy of Arts which conducts art classes and makes grants to exhibitions. Then as far as the Canadian Writers Foundation is concerned, the original Canadian Authors Foundation was organized in Toronto in April, 1931, and local advisory committees were appointed across Canada. A dominion contribution was granted from 1933 to 1943 and then commenced again in 1946. In 1945 the foundation was incorporated under dominion charter and the name was changed to Canadian Writers Foundation. Its purpose is to assist needy Canadian writers.

Mr. Macdonnell (Greenwood): I know the need is great and I suggest that that might be considered. A grant of $4,000 seems to be quite small for the purpose because it is rather difficult to get assistance in these matters.

Mr. Higgins: Why should these grants come under this particular department?

Mr. Sinclair: It may be because it is thought it will be harder to get a grant out of this department than out of any other.

Mr. Knowles: This may not be the proper item, but it seems to be the only place I can ask it. There was a total of $115,000 voted last year which does not appear this year and perhaps the parliamentary assistant could explain why.

Mr. Sinclair: Last year a grant of $65,000 was made to the empire press conference which was held recently in Ottawa and of course that will not be repeated this year. Last year a grant of $50,000 was made toward the Halifax bicentenary celebration, which of course is not being repeated.

Item agreed to.

Insurance—

687. Departmental administration—further amount required, $19,652.

Mr. Fleming: What is the reason for this additional vote?

Mr. Sinclair: It is due to the increased volume of business being done by the insurance companies. I might point out something which does not appear in the item, that most of this is recovered in fees from the insurance companies. Last year a total of $233,000 was recovered so that this expanded cost will be reflected in expanded revenues for inspection fees.

Mr. Adamson: Upon what basis is the assessment made on the insurance companies?

Mr. Sinclair: It is based on the cost of the actual functions performed.

Item agreed to.

Insurance—

132. Expenses of work in the interests of fire prevention, $18,165.

Mr. Adamson: May I repeat a suggestion which I made on a public works item in connection with fire prevention. This year we had in Canada two shocking fires where two communities were largely destroyed. There are other communities in Canada which are liable to be destroyed by similar holocausts. May I suggest that the government draw up a fire prevention code or fire prevention standards which would be applicable across the dominion. We have had two disasters this year and in the future we may have more and something should be done to prevent them.

Mr. Knowles: Are there only two employees in this office?

[Mr. Macdonnell (Greenwood).]

Mr. Sinclair: The work done here is not similar to that done by the fire marshals of the province. The reason why the dominion fire commissioner is under the Department of Finance is that he must work closely with the fire insurance companies. His main job is to co-ordinate fire prevention work carried out by the different provincial departments. I may say that the insurance companies are very pleased with the work being done by the dominion fire commissioner. It is true that at the present time the permanent staff consists of only two people.

Mr. Knowles: Is the person now in the office of the dominion fire commissioner a permanent appointee?

Mr. Sinclair: Yes, Mr. C. A. Thomson is a permanent appointee.

Mr. Knowles: Since when?

Mr. Sinclair: I have not the exact date but for the last two or three months.

Mr. Cruickshank: I should like to congratulate the parliamentary assistant. We are proud that he comes from British Columbia. We have seen him handle the details of the budget and of these estimates and with all due deference to the other parliamentary assistants I do not think any other could handle these details as well.

An hon. Member: What do you want?

Mr. Cruickshank: I want to correct the parliamentary assistant on one thing. I was all ready to start for home this morning but he told me that a certain item had not been carried and now I am told that it has been carried.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

Housing projects—

821. To authorize the Minister of National Defence, on transfer to the Department of National Defence of works or buildings or both, constructed or converted by Central Mortgage and Housing Corporation for the said department, to assume the obligation of the corporation to repay advances made to it in respect of the works and buildings so transferred, together with interest, in accordance with the terms of the relevant debentures delivered by Central Mortgage and Housing Corporation as evidence of the obligation, the corporation to be fully discharged from the said obligation to the extent that it is so assumed, $1.

Mr. Fleming: There should be some explanation of this item because it is another of those suspicious-looking one-dollar items that we should be on our guard against.

Mr. Prudham: Central Mortgage and Housing Corporation built houses as agents for the Department of National Defence. In order to make the necessary advances of

money for the construction of these houses, Central Mortgage and Housing Corporation raises the funds by debentures from the Department of Finance. On completion of the houses and when they are turned over to the Department of National Defence the Department of Finance takes over the debentures together with the interest which has accrued during the interval. The practice is to allow these debentures to accumulate to an amount of approximately $1 million before a transfer is made.

Mr. Fleming: When the parliamentary assistant says that the Department of National Defence takes over the debentures, I take it what he means is that the carrying charges on the debentures are then charged against the estimates of the Department of National Defence. Is that so?

Mr. Prudham: That is right.

Mr. Fleming: Then actually what is being sought here is, after all, probably no more than statutory authorization. This does not involve any further expenditure?

Mr. Prudham: No.

Item agreed to.

Mr. McCann: Mr. Chairman, I should like to ask for leave of the house to put on *Hansard* an answer to a question asked last night in the discussion with reference to the taxation division of the Department of National Revenue.

The Deputy Chairman: Does the minister wish to put it on *Hansard?*

Mr. McCann: Yes.

The Deputy Chairman: Has the minister leave to put the answer on *Hansard?*

Some hon. Members: Agreed.

Mr. McCann: The answer is as follows:

Income taxes assessed and unpaid as of 15th March, 1950, (individuals and corporations) by districts

District	Total arrears
Charlottetown	$ 912,417
Sydney	632,643
Halifax	2,347,460
Saint John	1,977,567
Quebec	3,539,837
Sherbrooke	371,154
Montreal	17,303,671
Ottawa	6,516,726
Kingston	384,526
Belleville	837,588
Toronto	15,322,652
Hamilton	3,403,407
London	3,538,007
Fort William	1,588,026
Winnipeg	3,395,417
Regina	1,890,263
Saskatoon	1,085,433
Calgary	2,155,842
Edmonton	3,049,138
Vancouver	11,551,983
Dawson	101,386
Canada	$81,905,143

For provincial totals shown on page 3637 of *Hansard*, June 15, 1950, Ottawa, which includes some Quebec territory, was included in Ontario.

POST OFFICE DEPARTMENT

269. Departmental administration, $1,373,625.

The Deputy Chairman: Shall the item carry?

Mr. Smith (Calgary West): Hold it for a minute until I can turn the page.

Mr. Rinfret: Mr. Chairman, in the dying minutes of the sitting the other night the hon. member for Winnipeg North Centre made a charge against the government in general and my department in particular. At page 4244 of *Hansard* he said:

As I say, hon. member must not forget the positive assurance I was given by the Prime Minister on March 1, 1950, at page 352 of *Hansard* and on March 16, 1950, at page 842, that there is no such thing as patronage in the government service and no such thing as defeated Liberal candidates having any say in connection with these matters.

Mr. Smith (Calgary West): You are certainly looking for trouble.

Mr. Rinfret: The hon. member for Winnipeg North Centre went on to say:

Mr. Chairman, we hear about this sort of thing too often. It just so happens that in this instance one has the evidence.

I cannot allow this statement to go unchallenged and unanswered. If this is one instance where the hon. member for Winnipeg North Centre has the evidence, then let us examine the evidence. One of the officials of the department is charged with having written a letter to Senator Pirie in these terms:

Would you be good enough, therefore, to submit for the consideration of the Postmaster General, on the official form attached, your recommendation of a suitable person who will be willing to accept this position.

I sincerely cannot see anything wrong, Mr. Chairman, with asking influential people in a district for a recommendation. We not only ask such people when a postmastership is vacant but we also ask the Canadian Legion to submit a recommendation of a suitable person. The fact that a recommendation is made does not necessarily mean that it will be accepted. There are any number of members in this house, particularly on this side, who have complained often enough that their recommendations have not been accepted. An investigation is made by the officials of the department.

In this particular case I did not even inquire whether or not Senator Pirie made a recommendation for the simple reason that we did not proceed with the appointment of a postmaster. We did not proceed because certain influential people of the vicinity made representations to the Post Office Department that we should abolish the various post offices that were in existence at that time. One of the letters to which I wish to draw the attention of the committee is dated December 8, 1947, and is addressed to Mr. Herring, superintendent of land and air services. It reads:

I am of the opinion that the following post offices, in the upper end of Carleton county, should be done away with and a free delivery service inaugurated, namely, Holmesville, Mineral, Killowen and Moose Mountain. These four offices are in one group and as a free delivery service has been inaugurated all around them I do not see why they should not be served by a free delivery. I might say that these offices are situated in one of our best farming districts and the farmers are deserving of a better mail service. I wish you would have an investigation made, or probably it has already been done, and in the spring, when the roads are in better condition, have this change made.

Mr. Herring answered this gentleman that an investigation was taking place. The letter of the 8th December which I have quoted is signed by H. H. Hatfield, the present member for that district, which shows that some influential people, other than Senator Pirie who was mentioned by the hon. member for Winnipeg North Centre, are consulted on such matters. There is another letter, also signed by Mr. Hatfield and dated December 31, 1947, the purport of which is the same. He is asking that rural mail delivery be instituted instead of post offices. The charge made to the effect that this was patronage is ill founded because there was nothing done on whatever recommendation Senator Pirie might have made for the good reason that the post offices were dispensed with. The hon. member for Winnipeg North Centre then proceeded to say that we went on with rural mail routes and that we advised Mr. Bishop of our intention to ask for tenders. Apparently the hon. member for Victoria-Carleton was also informed that tenders would be asked for. That appears in the letter of December 31, 1947, over his signature. Tenders were sought, and the lowest tenderer was a man by the name of Saunders Giberson. The amount of the tender was $1,200.

It is true, as the hon. member for Winnipeg North Centre said, that Mr. Herring advised Mr. Bishop to the effect that the lowest tenderer was Mr. Giberson in the amount of $1,200. It is also true that Mr. Bishop upon receiving this information wrote a letter, which has already been read into the record, in which he complained that Mr. Giberson was a most irresponsible person. To that letter Mr. Herring replied that the matter would be looked into at once. Mr. Bishop then, as indicated by the hon. member for Winnipeg North Centre, wrote a second letter saying:

I have considered the matter and I find that this man is not as irresponsible as I thought.

The conclusion drawn by the member for Winnipeg North Centre is as follows, as appears from page 4243 of *Hansard*, June 27:

First of all the department writes telling him that invitations to tender have been sent out. Later on they tell him that so-and-so is going to be awarded the contract. He says no, that fellow is no good; don't give it to him. The department says they will hold up the contract. Then Mr. Bishop thinks it over again and says Mr. So-and-So should get the job, and he gets it.

On the next page the hon. member says he could go on. Well, I wonder why he did not go on. If he had gone on he would have found another letter, also addressed to Mr. Bishop, under date of May 15, 1950, which happens to be the first letter under the cover of the order which he asked for. It reads as follows:

With reference to previous correspondence concerning contract arrangements for the conveyance of mails over Bath rural route No. 3, I wish to advise that information has now been received to the effect that Mr. Saunders Giberson would not be qualified to perform the duties of contractor.

We are therefore proceeding with the awarding of the contract to the next lowest tenderer, Mr. Wendell W. Wyman, Bath rural route No. 3, at $1,495 per annum.

This shows that, after Mr. Bishop had made certain recommendations, and after he had withdrawn the recommendations, the department, independently of the recommendations that had been made by Mr. Bishop or anyone else, continued its investigations and found that Mr. Giberson was not a responsible person. They did not award the contract to him, as the member for Winnipeg North Centre said.

Mr. Knowles: I thank the Postmaster General for the attention he has given to this matter. With regard to the point he made at the conclusion of his speech, I suggest that the very fact that the department finally discovered this man should not get the job shows that they should not have been paying any attention to Mr. Bishop at all throughout the whole piece.

Mr. Rinfret: He was the one who drew our attention to it in the first place.

Mr. Knowles: He gave you advice both ways. And what about the advice Mr. Bishop gave with respect to the various mail routes? The other point I want to answer is this. The Postmaster General says the department follows the practice of getting advice from influential people, and that they invite people like Senator Pirie—

Mr. Lapointe: And the member.

Mr. Knowles: Was the member for Victoria-Carleton advised of this?

Some hon. Members: Oh, oh.

Mr. Knowles: Of course not. I know I have never received a notice of any vacancy in the post office service in my constituency.

Mr. Rinfret: You told me the other day you did not want any.

Mr. Knowles: And I do not, but I am asking a question, whether influential people who might be in a position to advise the Post Office Department include senators, Liberal members, and defeated Liberal candidates, but not members for constituencies concerned who were elected by the people but who sit on the opposition side of the house?

Mr. Rinfret: And the Canadian Legion.

Mr. Knowles: All right, put in the Canadian Legion. I ask if influential people from whom advice is sought include in addition to senators, Liberal members of parliament, defeated Liberal candidates and the Canadian Legion, members of parliament who sit on the opposition side of this house?

Mr. Wright: The Postmaster General has just said that the Canadian Legion is informed about vacancies that occur in post offices. I should like him to read again the correspondence he has from the Ridgedale Canadian Legion with respect to the post office at Ridgedale.

Mr. Knowles: I should like to have an answer to my question, and I should also like to know if the Postmaster General is aware of this fact, that I did not read all the letters—

Mr. Lapointe: Just those which suited your purpose.

Mr. Knowles: There are some letters here which would have suited my purpose very well, if the solicitor general wants it that way, including several letters from Mr. Bosse, an executive secretary to the minister in another department.

An hon. Member: And a good man.

Mr. Knowles: I have no doubt about it, but a civil servant in another department writing officials of the Post Office Department and telling them what, in his opinion, should be done by the post office down in New Brunswick surely is not a good practice. Does the department include among those influential people, senators, Liberal members of parliament, defeated Liberal candidates, civil servants, but not the members on the opposite side of the house?

Mr. Rinfret: I think it would be correct to say that Mr. Bosse made the same suggestions as the hon. member for Victoria.

Mr. Hodgson: I should like to correct the Postmaster General: not the member for Victoria, but the member for Victoria-Carleton.

Mr. Rinfret: I am sorry.

Mr. Knowles: Can we not bring this questioning to a close by having an answer yes or no as to whether members of parliament on the opposition side are considered influential people whose advice can be sought; yes, or no?

Mr. Ferguson: If my hon. friend wants to bring it to a conclusion, I can tell him that I have been consulted about post office work in my riding.

Mr. Knowles: Anyone else?

The Deputy Chairman: Order.

Mr. Knowles: No, no one else.

Mr. Gillis: Mr. Chairman, the discussion just carried on would lead one to believe that, in so far as the post office was concerned, there was no civil service. Until tonight I was of the opinion that mail carriers in the postal department had to write a civil service examination, and were hired by the department on a merit basis. Postmasters, clerks and junior clerks in the post office must all write civil service examinations.

In view of the discussion we have had tonight, based on the documentary evidence supplied by the postal department to the member for Winnipeg North Centre, I do not think that can be so. I believe the Postmaster General was ill-advised to bring up that question at this particular point in the session. My assumption now is that the civil service does not exist so far as the postal department is concerned.

An hon. Member: You wish it did not.

Mr. Gillis: It does not, as the member for Winnipeg North Centre—

Mr. Rinfret: I believe I can help the hon. member by saying that all post offices where the revenue is less than $3,000, according to the Civil Service Act, come under the supervision of the Postmaster General. For all the post offices where the revenue is over $3,000 the appointment of postmasters is under the Civil Service Act.

Mr. Gillis: That is the thing that has not been made clear in all of this discussion concerning appointments to the postal department. The Postmaster General did not say whether those offices came within the category of those for which appointments are made on the basis of patronage.

Mr. Rinfret: These four post offices about which we are talking pay, if my memory serves me right, $280, $91, $83 and $55 or something like that.

Mr. Gillis: A soft explanation such as the Postmaster General has made just now, if made last night, would have avoided a whole lot of discussion. In listening to this discussion I was led to believe that in New Brunswick appointments to the post office were made on the basis of recommendations by someone who did not get elected in the last election who wrote in and said, "I want this fellow appointed." It is clear that is not so.

Mr. Riley: A good idea.

Mr. Knowles: The member for Saint John-Albert says it is a good idea.

Mr. Gillis: I got the idea from something that was said that was the way it was done all over the country. It is done on the basis of patronage and there is no use of denying it. Until such time as we have the regulations changed, it will be done in that way.

Mr. Smith (Calgary West): No one will deny that.

Mr. Gillis: That is the way members want it, and by and large that is what the Canadian people voted for. I do not see where we have any reason to squawk about it. I am glad to find out that the civil service do perform some function in the postal department, with regard to employing people.

Item agreed to.

270. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $42,247,430.

Mr. Shaw: When notification is given that a vacancy has occurred in a post office and that a postmaster is required, I believe it is specified that he must be a patron of that office. But is it also specified that he must have resided in that district for a specified period of time?

Mr. Rinfret: He must be a patron of that office for one year.

Mr. Shaw: One year?

Mr. Rinfret: Yes, before the vacancy.

Mr. Adamson: When the minister opens up the new revenue post office in Islington, in order to allay any suspicion of patronage in York West I hope that he will invite me to the ceremony.

Mr. Catherwood: I believe that employment is carried out through the civil service commission for the post office, and I understand that the postmaster is not consulted about that appointment. Yet he is responsible for any losses should they occur through the inability of those employees. I wondered if it could not be arranged as for the civil service, where provisions are made for burglary insurance through the post office guarantee fund. Why could not these employees be placed on the same basis as those under that fund?

Mr. Rinfret: We have in the Post Office Department a similar reserve fund for that purpose.

Mr. Catherwood: Does that apply to the employees who are engaged by the civil service commission and where the postmaster has to make up that loss if there is any loss incurred?

Mr. Rinfret: The postmaster is only called upon to make up for the losses when he is responsible.

Mr. Hatfield: I should like to point out to the Postmaster General that I requested the building of a post office at Plaster Rock, New Brunswick, in 1939. The site was secured and tenders were called for the post office at this place, but the work was dropped on account of the war. I took it up with the former postmaster general, Hon. Mr. Bertrand. He told me two or three years ago that there were twenty post offices, I think, in the same category. The work had been stopped on account of the war after tenders had been called and let. He grouped those twenty post offices together and said that they would have the first priority.

In this town of Plaster Rock the revenue has trebled since 1939 and it is almost $10,000. It is a prosperous agricultural and lumbering town. The Fraser Company have built a new mill there and they have spent a great deal of money. Two schools have been erected there in the past year, and they have cost nearly $1 million. It is a large centre. The post office building that is used in this place is not becoming to the town. I pass over to the Postmaster General a picture of the present post office. Last session he promised to give the matter consideration, and I should like to ask him if they will recommend the building of that post office.

Mr. Rinfret: I have received the photographs that have been sent me by the hon. member. I might say that some other members have also made recommendations about the same Plaster Rock post office. We know that the accommodation is not satisfactory but, unfortunately, under the rules of the department we cannot recommend a public building because the annual revenue has not yet reached the $10,000 mark. We are now

making inquiry of the public works department to see if we can find better accommodation.

Mr. Hatfield: According to Mr. Bertrand, the former postmaster general, this post office was put in a special group that had been let in 1939. The revenue at that point in 1939 was some $3,000. Today it is over $9,000. Still there is not sufficient post office space. The site is there in the main part of the town. What the people would like to have is the new post office that they were promised in 1939. I should like to have the minister reconsider the matter.

Mr. Rinfret: The regulations then were not the same as they are today. Prior to the war and during the war we had to lay aside certain places where it would have been convenient to have a new post office. We have a backlog of offices, and we have had to fix this figure of $10,000 as the mark for the moment. We hope to be able later on to reduce it.

Mr. Pouliot: Mr. Chairman, I observe the golden rule. I am delighted to support the request of the hon. member for Victoria-Carleton because I know the place and I know that the Fraser Company has spent a great deal of money there. I also cannot forget that the hon. gentleman gave me support on the Temiscouata railway bill last year.

Mr. Low: How long after a certain centre qualifies by reaching the $10,000 revenue mark do you usually wait until you make a decision with respect to a post office?

Mr. Rinfret: We make the recommendation to public works; and as the backlog is quite heavy, we have had to make categories even there, public works choosing those where the necessity is more pressing.

Mr. Hatfield: I understand that all first-class mail possible is now carried by air, whether there is an air mail stamp on it or not. In my constituency, the mail from the province of Quebec and the maritime provinces, if it is sent in by air mail, is delayed one or two days over train mail. But if it is coming from western Canada—from British Columbia, for instance—it is two or three days ahead, of course. But if the letter is mailed in Montreal to go by air mail—and it goes air mail, whether it has an air mail stamp on it or not—it is delayed one or two days because there is no air mail delivery in my constituency. It goes to Moncton by air mail and it goes from Moncton next day by train to Saint John and from Saint John back to my constituency. It is delayed one or two days. As to letters coming from the United States, the people have to notify those who send letters in not to send them by air mail if they are in a hurry to get them there. I should like to ask the Postmaster General if anything has been done about that.

Mr. Rinfret: If the hon. member has one particular instance that he wants to bring to my attention, I shall be pleased to have it. The instructions that our officials have are that if a first-class letter can be expedited by sending it air mail, they have to send it that way. If it gets to its destination quicker by train they have to send it by train. Those are the instructions. If there are any instances that my hon. friend can give me, I shall be glad to look into them.

Mr. Catherwood: I should like to ask the minister if it is not right that some of our postal employees who have worked for 20 years in the department are not receiving three weeks' holidays. I understand that is a regulation of the department. Can he explain if there are some cases where it does not apply?

Mr. Rinfret: Some of the post offices that are under the civil service rule, those that are over $3,000, are given three weeks' holidays. In some of the revenue post offices only two weeks are given, but we have under consideration at the present time giving them three weeks, the same as the others.

Mr. Catherwood: Is it not a regulation of the department that after 20 years' service in the department three weeks' holidays must be given?

Mr. Rinfret: I have just indicated that in some instances it is not exactly that, but we are trying to bring everybody up to the same level.

Mr. Higgins: I should like the name of the influential people who recommended the appointment of the postmaster at Holyrood, Newfoundland.

Mr. Rinfret: I will check through my record and let my hon. friend know.

Mr. Noseworthy: How does a community or a municipality of 80,000 people qualify for a post office? In York township we have approximately 80,000 people. All we have by way of post offices are little cubby holes in the back of grocery stores, meat stores and other kinds of stores. They must all be good Liberal supporters.

Item agreed to.

273. Air and land mail services, $22,094,857.

Mr. Adamson: Has the Postmaster General received requests for new uniforms or more comfortable summer uniforms from the postmen who actually deliver the mail on the

postal routes? Several of them have suggested to me there might be certain modifications in the uniform, particularly the summer uniform. Have there been any complaints about them?

Mr. Rinfret: We have received certain representations that some small changes be made, for example, that the shirts be left open and that they be not required to wear bow ties or things like that.

Mr. Adamson: These were the recommendations that were made to me; that, particularly in hot weather, the shirts be left open and that they be not required to wear ties. If possible I should like the Postmaster General to consider that, because in the extremely hot weather it is quite a problem wearing a tie.

Mr. Rinfret: I will consider it.

Mr. Adamson: Particularly with a heavy bag and a long walk.

Mr. Fulton: Will the Postmaster General tell us about the position of the payment from the department to Trans-Canada Air Lines for the carriage of mail? The matter was before us in the special committee on government-owned railways and shipping. It was indicated to us there by Trans-Canada Air Lines directors and management that they were not being given adequate compensation for the carriage of the very substantial volume of mail they are called upon to carry under their present agreement. I think the agreement expired in May of 1949. Since that time it has been continued on a temporary basis at the same rate. They have not been successful in getting the increased rate they asked for. The fact became evident from the information given to us there that if they do get the rate they are asking for it will go a long way toward reducing their present operating deficit on the domestic line. It certainly seemed to me in the committee that the management of Trans-Canada Air Lines had made out a bona fide case, anyway, in support of their contention. I would be interested to know what the present position is.

Mr. Rinfret: In my opening statement I said we had hoped that the company would be able to agree on rates that will permit the continuation of the all-up scheme on a permanent basis. At the present time we are in negotiation with the Trans-Canada Air Lines. They asked for an increase in the contract rate. We are negotiating with the company at the present time but we have not yet reached an agreement.

Mr. Fulton: When is it expected that negotiations will be concluded?

[Mr. Adamson.]

Mr. Rinfret: I do not know. We are discussing the matter. I am not a prophet.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Welfare branch—

245. Assistance to schools of social work, $52,500.

Mr. Fleming: May I just say a very brief word on this item? It has to do with assistance to schools of social work. Up till two years ago, this item was considerably larger than it is at the present time. The larger grant that was made available prior to two years ago did assist very much the various schools of social work in this country in the training of personnel in the field of social work. The training of personnel in the field of social work is, I have always thought, good economy because the administration of social services at various levels in the hands of trained social workers contributes to the attainment of the utmost value out of the expenditure made on those services.

The various schools of social work, through their association, the national committee of Canadian schools of social work, have made representations to the department, and they laid before the department two years ago and again in the past year a program which invited the department to agree to pay the contributions of assistance through this vote on a five-year basis, so that the schools would be able to make plans on the assurance that grants would be forthcoming. It seems to me that this is altogether desirable in the national interest.

I cannot believe that the minister personally would be unsympathetic to a worthy proposal of this kind. It does mean economy in the end. It is an investment; it is not the sort of expenditure that should be classed as moneys simply expended. It is money invested. I do urge that very serious consideration should be given to the proposals of the national committee on Canadian schools of social work, both with respect to the modest increase in the amount of this item which they have asked for, and placing it on the five-year basis which they have approved. I think the department should give effect to this very reasonable and modest request.

Mr. Hellyer: I find myself in full accord with the remarks of the hon. member for Eglinton and I endorse what he said.

Mr. Carroll: I want to associate myself with the remarks of the last two speakers in regard to this social work. I do not know of any institutions in our province that have done more not only in what we usually call social work, but in the interest of administering and adding to the administration of

our social security. In Halifax we have a school of social work, but I am not making this suggestion from any selfish motive. I happen to be a director of that school. The school was organized about six or seven years ago. It was organized by the various institutions in New Brunswick, Nova Scotia, and I believe in Prince Edward Island. Those universities gave every assistance they could. A survey was made, and a certain amount of money was obtained from the public in the three maritime provinces. This was done at the instance of social workers in Nova Scotia. One of these was Dr. Curran, a Roman Catholic priest, and the other man was Dr. Prince, of the university of King's College. It was through their efforts that the school was finally started. We did get some assistance from the department.

However I think that in matters of this kind it would be almost impossible to have our social services properly administered—and I am talking about administration, not the supplying of money or anything else—without this sort of help. I have in mind the welfare of the people, so far as the social services are concerned.

There has been a tremendous increase in the good done in the three maritime provinces through social services. I am heartily in accord with this procedure. As a matter of fact, I visited the minister and some of his officials when representations were made to him last fall. I am just saying now that I am in complete accord with the last two speakers, and I believe that instead of lowering these small subsidies, if they may be so described, they should be increased.

Before this school was started—and I speak with some knowledge of the subject—it was almost impossible in Nova Scotia to get anyone to look after the social welfare of the people. Today, however, graduates of that school find employment in the local governments of the three provinces, and they do good work. However, I know that only two years ago two bright young university graduates who were short of funds came there. The money which had been given by this government for scholarships had been taken up, and those boys had to go off to work somewhere else. That was a serious loss to the social welfare of Nova Scotia.

Mr. Knowles: I am sure the minister is deeply interested in and sympathetic to the requests that have come to him from the national committee in connection with schools for social work. I just wish to make it clear to him—although I know he already realizes it—that the support for their two requests, namely for an increase and that it be put on a five-year basis, is unanimous. I hope the minister will take good advantage of that unanimous support and do his best to see that these requests are met.

Mr. McCusker: The minister usually meets us, instead of having to be prodded in matters of this kind. I should not like to have this vote passed without saying that I have received many representations from people in my constituency asking me to support what has been said tonight. I shall not take time to repeat it.

Item agreed to.

Welfare branch—

242. Administration, $86,320.

Mr. Drew: Mr. Chairman, under this item in the estimates it is not my intention to enter into any debate in regard to the report of the committee on old age security appointed last March, which has tabled its report. At the time the motion was before the house to set up the committee I, and other members of the opposition, objected to that appointment of a committee on the ground that it would only delay a decision by the government and prevent any action being taken during the present session to implement the government's promises.

Members of the committee have worked very hard. They have heard a great deal of evidence. The report, which constitutes a digest of that evidence, contains much statistical information which will be helpful to all hon. members. However, the recommendations, which are the result of the decisions of the majority of the members of the committee, do not carry out the earlier undertakings of the government, and do not go as far as they should go if this extremely important subject is to be dealt with in a way which will satisfy the older generation of Canadians.

In our increasingly complex society people naturally think with growing concern about what will happen to them in their old age, or at a time when they are no longer able to earn a livelihood. There is increasing agreement that pensions should be paid as a right at an age when the earning capacity of our people is substantially or entirely reduced because of their age. In considering this subject the questions about which our people are most concerned are the age at which pensions will be payable, whether they will be subject to a means test or not, and whether they will be adequate to maintain those who receive them under the conditions which exist in this country from time to time.

There is also increasing agreement that the means test is unfair, because it does penalize those who are prudent and have saved something throughout the working years.

The age at which the pensions are to be payable is the other extremely important point in the minds of our people. Industrial employers have established the age by the extent to which sixty-five has become recognized as the age of retirement. I am not suggesting that this applies only to industrial workers. But the very fact that industrial employers are now so generally retiring workers at that age has settled that as the age which we must regard as the age of retirement for a very large part of our population. If that is to be the age of retirement, it is also the age at which the pensions are needed.

That is the reason we have urged that there be an over-all contributory retirement pension payable to everyone at the age of sixty-five, without a means test. Members of our party who were on the committee urged that the report of the committee make this recommendation. We will continue to press for a contributory pension plan upon that basis.

We stated our position on this subject earlier in the session, and we adhere to the position we put forward at that time. We will welcome every advance that may be made. We will welcome every advance which may result from the report now tabled. The recommendation that the means test should not apply to those who have reached the age of seventy is a definite step forward. It does not go far enough, however, in my opinion. If those from sixty-five to sixty-nine are to receive a pension only subject to a means test, then during that period between retirement from work and full entitlement to a pension without a test they will be called upon to exhaust their savings, except in the case of those with fairly substantial means. This also will penalize those who have been thrifty during their working years.

I am raising the subject again at this time in the hope that when the dominion-provincial conference does take place later this year the government will carry out its earlier undertakings and place before the conference a proposal for a contributory plan for pensions to be payable as a right, without a means test, at the age of sixty-five, at a level adequate to meet the living requirements of our people.

I am not disregarding the estimates which have been made of the cost of such a plan. I would point out, however, that those estimates all relate to the total over-all cost of the program. I believe that our people are anxious to contribute a fair share of the cost of pensions of this kind, and if that is done the burden upon the dominion treasury would only be its share of the combined contributions. After all, there are many people of small incomes providing pensions for their old age through insurance and government annuity plans at the present time. If those plans can be worked out by the insurance companies and public agencies on terms suitable to the individual, I am convinced that a broad national plan can be worked out on a sound actuarial basis which imposes no unreasonable burden upon the national treasury. I am equally convinced that a satisfactory pension plan for old age and permanent disability is one of the essential requirements of our modern society.

In making this statement in relation to an item which calls for a consideration of this subject at this time I am not overlooking the very grave period through which we are passing. I think the fact that we may be called upon to consider other responsibilities should not divert our attention from the importance of convincing all our people that our system of society is the best in the world.

Mr. Knowles: Mr. Chairman, as many hon. members know, it was not my intention to initiate a debate on this item, or indeed to speak at all at this stage of the session, had it not been opened already. Even so I shall be brief. One of the reasons why I was prepared not to initiate a debate on this question will be obvious. We have been dealing with the matter most exhaustively in the committee on old age security of which I had the privilege of being a member.

However, if anyone has the right to rise on this item and argue for an adequate pension, for the elimination of the means test, and for doing that at an age not later than 65 years, I believe I have that right, and no one in this house will deny it. Furthermore, as I have already made clear, once we have got over the immediate task that is before us in this field of old age security I shall be in there continuing the fight for the improvements that I feel to be necessary.

Having said that, I am convinced that the task of those who are interested in making progress in the field of old age security is to get behind the recommendations of the joint committee which were tabled yesterday in this house. They do not go as far as I would have liked to have seen them go. So far as I was concerned, it was a compromise downward to agree to the report. But not only did I agree to it for the purpose of getting what it proposes; I pledged that I would fight for its implementation because my chief concern is to get some real and definite progress in this field of old age security. I do not want to see anything done that will jeopardize the chances of getting what we were able to agree on in

the joint committee made up of members from the four parties in this house and from both parties in the other place.

I would point out that there are three aspects to the question of old age pensions on the benefit side: the age, the amount, and the means test. In my view there is a job to be done with respect to all three of those aspects. As hon. members know, I along with others so contended in the committee, as I have done in and out of this house across the years. With a committee of that size and complexity it could not be expected that everyone would agree with what every member wanted. It is true that the committee did not arrive at a decision with respect to our arguments for increasing the amount of the pension, but it did take action with respect to the removal of the means test, at least at some point. The point decided upon by the committee was the age of 70.

In its recommendation that the pension start at age 65 the committee did not go all the way that some of us would have liked to have seen it go and recommend that the pension at that age start without a means test. But progress has been made. It is proposed for the first time in Canada, and in a form that has some chance of reaching the statute books, that there be a pension payable at age 65. Because of that recommendation, because I see a possibility of its reaching the statute books, I feel that our job now is to get in and fight for all we are worth in as united a fashion as we can.

I should like to say one further word about the benefit side. When I referred to this recommendation as not going far enough I do not want that to be taken as a political belittling of it on my part. In my view the recommendation the committee made has got over one of the most important hurdles in the field of old age security in that it calls for the establishment of the principle of universality, even if it does not start it at 65 years. For the first time we will have the principle of universality established or in other words the elimination of the means test. That is an important hurdle, that is something we have been fighting for across the years. In my view it will be a great day for Canada when that becomes the law of the land.

There are other changes that will have to be made after that, but those changes will simply be amendments; this report establishes certain basic principles, and I do not want to do anything that will jeopardize the chances of getting this program implemented.

In addition there is the question of how this old age pension program is to be paid for. In the main there are two general ways, one being the insurance or funded principle by which the money is put aside by contributors into a fund designated for the purpose of the contributor and paid to him on the basis of some relationship to the amount he has paid in when the time comes for him to retire. The other way of paying for pensions is on a current or pay-as-you-go basis. By that we mean that those on pension now will draw their pensions out of the general revenues of this day and age, to which we who are now working will contribute.

In my view it is a very important decision for a country to make, whether it is going to put its old age security program on a funded or on a current or pay-as-you-go basis. This report is the most significant report in the history of old age security in this country because it rejects the funded idea, which has failed where it has been tried, and comes out clearly for the current or pay-as-you-go system. The leader of the opposition has used the word "contributory", a word which any of us who were on the committee would not use lightly, or without defining it. I am not going to go into it because we who were on the committee know the various definitions that can be given to it. He has also used the word "actuarial" in relation to establishing a proper old age pension plan. Our study of the plans in other countries made it clear to all of us, certainly to the vast majority, that we would be making a mistake if we tried to establish old age security on a funded plan or an actuarial basis, or indeed on any other basis than a current pay-as-you-go system.

Because the recommendations of the committee are on that side of this important question, I say again that this is a splendid piece of work the committee has done. I raise my voice now to say, as I said in the committee and as I have said tonight, that despite my interest in getting something better later on, in getting the amount raised and the age at which it is payable universally lowered, I do not think that now is the time to introduce any note that would jeopardize the chances of getting this much adopted. We have got agreement amongst all four parties in the house through their representation on the committee. We got agreement between this house and the other place. I feel we have something that will appeal to the provinces as worthy of their favourable consideration. I feel we have something that will not only commend itself to the government but something that the government will realize they simply cannot fail to implement, and until this report has been implemented that should be our main job in the field of old age security. I shall continue to fight down through

the years for the best we can possibly do for old age security but right now my concern is that none of us do anything to jeopardize the chances of the Canadian people getting as soon as possible—and I hope it is only months away at the outside—the advantages of such progress as is contained in the recommendations that the committee has made to the house.

Mr. Shaw: Mr. Chairman, personally I consider it rather unfortunate that the subject of old age pensions should have been opened for discussion at this time. I had hopes that, with the results of the committee's deliberations presently in the hands of members of parliament, with the dominion-provincial conference in the offing and with another session coming up next year, hon. members would have been satisfied to permit the matter to rest for the time being. I recognize and appreciate, however, the right of any hon. member to discuss the subject at this time. I regret that my participation has become necessary because of what has already been said.

I was rather surprised that the leader of the opposition commenced his observations by asserting that he had no intention of dealing with the report of the committee and then set about to do just that. He did not do so in detail but he made it abundantly clear where he stands with respect to it, and thus, I contend, opened the matter for general discussion. Let me assure the committee, Mr. Chairman, that, having regard to the stage of the session we have reached at the present time and my personal reluctance to speak at this time, I shall be extremely brief.

The committee on old age security was welcomed by the Social Credit members. We realized, as all hon. members realize, that there was room for improvement in the existing old age pension scheme in Canada. We recognized that there were certain anomalies that should be removed. We recognized the fact that there were probably certain age groups within the country that should be given further consideration at this time. We have expressed ourselves from time to time with respect to the means test. We are on record on innumerable occasions. We have heard much about the schemes in other countries, and the virtues or presumed virtues of many of them have been extolled upon many occasions. I and those associated with me were extremely anxious to learn just what certain other countries have that we might find it desirable to accept.

The resolution setting up the committee offered the suggestion at least that the government has in mind the desirability of coming to grips with the subject of old age security, giving consideration to it, and possibly providing justice for the pioneer citizens of Canada. May I say in passing that I have served on many committees of the House of Commons during the past ten years and I never enjoyed committee work as much as I did the committee work on old age security. I was deeply and profoundly impressed by the attitude of every member serving on that committee. I think it was a highly successful committee, and I think its success was due in no small part to the skill, impartiality and hard work of the co-chairman representing the House of Commons. I should also like to say that its success was attributable to the excellent assistance given to us by Dr. Davidson, Mr. Willard and Mr. Sharp. We do not forget for one moment of course those who worked behind the scenes, probably both day and night, in order that we might complete our deliberations during the present session.

As a matter of fact, when the resolution came before the house I said to myself that here was a committee that would sit for two years. I was firmly convinced in my own mind that it would take us two years to do the work. I am happy to express the view that I believe we did two years' work in a matter of two and a half months. Down through the years, as I said before, we have stated that we are desirous of seeing the age for eligibility lowered so far as Canada's pioneer citizens are concerned. We have expressed the opinion from time to time that, having regard to all the circumstances, the amount of the pension was not sufficient to assure at least a minimum basic standard of living. We have also, as I said a moment ago, expressed our views as to the means test. We have also done something else to which I must make reference in passing. From time to time we have expressed opposition to certain economic and financial policies of the government which we felt imposed restrictions that made it impossible for them to go as far as they could safely go if they were a Social Credit government. We feel that these economic and financial policies have imposed certain restrictions which need not necessarily be imposed. We have asserted from time to time that if the economy of the country were changed in the way that we have suggested it should be, probably we would experience no difficulty in going as far as I might desire to go in the field of old age security.

Nevertheless I hope that I can be considered as being realistic, and as a realist I see certain limitations. Therefore I am prepared to conclude that I must accept something less than I think would be possible and desirable if these limitations did not exist. We have always felt, for example, that under the type

of organization which we would advance, support and make effective, we could dispense with certain aspects of the contributory scheme of old age insurance. In spite of its strong psychological value we have said that in many respects it would be found to be impractical. We have also taken the position that we rather fear a movement too far in this direction where you card index every individual. Then, of necessity, you must make a greater number of demands upon his pay envelope. We have expressed the fear of going so far in a certain direction that you run into a multitude of penalties which are imposed in case of default. We have also expressed the fact that we are fearful of any regimentation that might accrue as a result of any move in the direction of a greater measure of social security.

Mr. Chairman, I want to stress that while we have not changed our position at all with respect to the basic and fundamental views which we hold on this subject of old age security, we are prepared to recognize that we must accept conditions as they are, and govern ourselves accordingly. I would very much regret, Mr. Chairman, ever to find myself put in the position where, upon finding that I could not get all that I wanted, I would refuse to accept anything. This report, sir, certainly goes in the right direction. It does take into account certain other age groups; it does take vast strides towards the elimination of the iniquitous means test, and for those reasons certainly we are prepared to accept that as being considerably better than anything which we have had heretofore.

Having those things in mind, Mr. Chairman, we are certainly anxious that this house should agree that here is something better than we have. You could take 262 members from this house, and form them into one committee, which you could call the committee on old age security. You would probably get 262 different ideas, but certainly if you could bring those ideas closely enough together that out of them you got something better than you had when you started, you would be extremely foolish not to take that something better. I am hopeful, Mr. Chairman, that the government will see fit to take action upon this report. I feel, as does the member for Winnipeg North Centre, that we are not going to say this is enough. We are accepting it as a most desirable step in the right direction. So long as we continue to occupy seats in the Canadian House of Commons you will hear our voices pressing for something more, because we are convinced that the productive capacity of this country could support the program which we have so frequently urged and provide full old age security if it were translated into realistic financial terms.

In conclusion, may I just assure the house that we support this report, and we do hope that there will be no debate here which will jeopardize our obtaining the good things contained therein.

Mr. Hees: Mr. Chairman, might I draw your attention to the fact that it is eleven o'clock. Have I the permission of the committee to continue?

Some hon. Members: Agreed.

Mr. Hees: Mr. Chairman, the old age pension plan contained in the report of the committee on old age security is, I believe, a good plan as far as it goes, but it falls short in two important respects. First of all, the age at which the pension starts is too high; and second, the means test is retained.

I should like to deal first with the age at which the pension starts. Today, the great majority of firms require both men and women to retire at sixty-five years of age. Very few of those in industry are able to set aside enough during their working years to provide for themselves after their regular employment has been terminated. Part-time work is very hard to find at retirement age, and so, in the great majority of cases, a pension is urgently needed at sixty-five. For these reasons, the pensions should start at sixty-five, the age at which regular employment ends, and not five years later.

I should like now to deal with the retention of the means test. The eligibility test, referred to in the committee's report, is nothing more or less than the old means test, dressed up in a brand new title in an attempt to give it respectability. Despite its new title, the eligibility test remains the means test, and I intend to deal with it as such.

To apply the means test to persons between the ages of sixty-five and sixty-nine is, I believe, an iniquitous thing, because it penalizes two things which should always be encouraged. First of all, it penalizes the savings which a person, through self-denial, has been able to set aside during his or her working years. Secondly, it discourages the desire to work at a part-time job, if one can be obtained. I believe that neither of these two worth-while aims can we allow to be discouraged any longer.

If the means test is retained between the ages of sixty-five and sixty-nine, the savings which a person has been able to set aside during his or her working years are used up during that five-year period. The result is that when the age of seventy is reached there is nothing left for the pensioner to live

on except the $40 per month which the pension provides. If the means test is abolished, the standard of living of the pensioner increases in proportion to the amount of savings which the pensioner has been able to set aside during his or her working years. For these reasons, I believe that the means test must be abolished from the age at which a pension is required, namely sixty-five.

Now, how are we going to bring about a pension at sixty-five without a means test? By introducing a contributory pension plan, with contributions based on the pension being paid at sixty-five without a means test. Government, the employer and the employee would each make equal contributions in the case of those who are employed, and government would participate on an equal basis with those who are self-employed. The division of the cost borne by government between the dominion and the provinces would be worked out by negotiation between the dominion and the provinces at the forthcoming dominion-provincial conference. Contributions would continue until the age of sixty-five is reached, and from then on the pension would be received as a matter of right. Those who are sixty-five and over today would receive the pension in exactly the same fashion as those who would in future contribute towards it.

I have talked to a great many working men and women about how they feel about contributing toward a pension plan of this kind, and I have found that they are not only willing, but anxious, to be able to contribute during their working years, so that they can look forward with certainty to at least a basic minimum standard of living when they reach retirement age. One point they make clear, however, is that, having contributed towards the pension during their working years, they want to start receiving the pension when they reach the retirement age of sixty-five, and not five years later.

I have also talked to a great many employers, and I have found that they, clearly seeing the pattern which union agreements are taking on this continent today, are anxious that the government should set up a contributory pension plan now so that their employees will automatically receive a basic pension when their retirement date comes due. They feel, as do their employees, that having contributed towards the workers' pension during working years, they want their employees to start to receive it when they reach the retirement age of 65, and not five years later. They prefer a government plan to a company plan, because then the cost of pensions will be borne equally by all firms in an industry, and not just by the progressive few, as is the case today.

[Mr. Hees.]

The sooner we start a contributory pensi plan, with contributions based on paying a pension at 65 without a means test, the sooner shall we be on an actuarially sound basis; and the cost borne by government will be approximately 40 per cent of what it would otherwise be under a non-contributory system. We shall then be able to apply tax revenues toward increasing the pension, and thereby increasing the standard of living of old people and bringing it more into line with that enjoyed by other members of the community today.

If we had started a contributory plan some years ago, we would today be able to pay a $50 pension. As $50 a month is no more than a bare minimum standard of living at today's cost of living, let us, as soon as possible, get ourselves into a position in which we can pay a pension of that amount.

Let us get on with the job. As the workers want it, as the employers want it, and as it is the only kind of plan which meets the needs of the situation today, I call on this government to bring in a contributory pension plan, to start at 65 years of age, without a means test, at the earliest possible moment.

Mr. Lesage: I do not wish to discuss the report. It is not the time or the place to do so. I had hoped that the report itself would not be discussed in the chamber because, as the report states in its concluding words:

> The committee trusts that the views herein set forth will appeal to the provincial governments as worthy of favourable consideration.

There is no direct recommendation in the report. It is the opinion on balance of the committee. It is the opinion of 39 members of the other place and of this house who have spent hours and hours in the study of this extremely difficult and complex problem. If I had not been a member of the committee and if I had not read the report, I could have done as the leader of the opposition and as the hon. member for Broadview have done. But of course the members of the other parties who were on the committee did not use the same language. Of course they knew that you cannot have a pay-as-you-go system on an actuarial basis because a pay-as-you-go system is exactly the opposite of an actuarial system. An actuarial system is one of insurance which means the building up of a reserve fund. In a country which is not far from us a legislative body has thought it well to spend $25,000 for a two-year study of the means of getting rid of the actuarial basis. It is the only country in the world, except Switzerland, where it is in force.

If the leader of the opposition and the hon. member for Broadview had been on

he committee, they would know that the 50 pension at the age of 65 would cost $660 nillion in 1951. They would know that hat would involve an additional expense of ver $500 million. They would know that f a sales tax were collected to pay for that, t would mean an additional 10 per cent on he 8 per cent sales tax that we already have. f they believe that the country as a whole s ready to see prices go up to such an extent is a result of an increase in the sales tax rom 8 per cent to 18 per cent, they may well ry to convince the people of Canada of that, ut I am sure that, as usual, they simply will ot be able to do it. If it was a direct contribution—and I do not have to use chapter ; I know it by heart and I am sure the eader of the opposition does not—on the mployee and employer basis, which was nentioned by the hon. member for Broadiew, it would mean a direct contribution, vith certain exemptions, of 6 per cent on ll incomes and 6 per cent on all payrolls. am not sure that the people of Canada s a whole and that the employers of Canada elieve that, for the good of the country, hey should pay as much as that at this time. The committee of course has studied all the ngles. I am not going to try to discuss the 00-page report in five minutes; but I can ay that the leader of the opposition and the on. member for Broadview should read it arefully. If they had a sense of their esponsibility as representing, in this hamber, the people of Canada, they surely vould not have said what they said without t least glancing at the report.

Mr. Hees: Mr. Chairman, if the hon. mem- er who has just taken his seat would spend little more time listening, he would perhaps earn that what I said had nothing to do vith introducing a $50 pension in 1951. I aid what is perfectly true, namely, that if number of years ago we had started a contributory pension plan, we could today pay $50 pension; and I say that the sooner hat we pay our contributions of the right mount, basing them on paying a pension t 65 without a means test and supporting a roper plan now, the sooner shall we be ble to afford to increase the pension to $50. did not say next year. I said the sooner we tarted, the sooner we would be able to do it.

The Chairman: Shall the item carry?

Mr. Martin: Just before the item carries, here is something I want to say. I do not ropose to detain the committee for more han a moment or two. I want to take this pportunity—and I think I do so on behalf of every member of the house—to thank the joint chairmen of this committee and the members from all parties who constituted its membership for the thorough work they have done and the study they have made on this subject. It has been said throughout the session by shrewd observers that not in a long time has there been a committee that pursued its objectives and its purposes with such a measure of thoroughness.

I can assure the house that the government will give the report on old age security the closest study and earnest consideration. The committee's extensive analysis of old age security systems, and its detailed review of the system now in effect in Canada and other alternative systems proposed, have been summarized in a document that cannot fail to command respect.

On March 10, while advocating the establishment of this joint committee on old age security, I outlined certain basic considerations, as reported at page 644 of *Hansard*, which it might be useful now to recall to the committee:

> What we wish to do is to develop, within the limits only of the financial capacity of our people and with due regard to our over-all commitments in all fields of social security and other governmental responsibilities, the simplest, most effective and most humane system of old age security that it is possible for us to devise. We wish to do this, not in open disregard of provincial rights or interests or concerns, but in full consultation, agreement and partnership with the provinces. This is our objective in the field of old age security. It is with this, along with other equally important matters in mind, that we look forward to our conference with the provinces in the autumn of this year.

I say in conclusion, the committee in its deliberations has recognized the importance of its task and fully respected the special position of the provinces with regard to old age security. I am confident, therefore, that the committee's report—especially since it has the support of all parties represented on it—will commend itself to the most careful and sympathetic consideration both of the federal and of the provincial governments.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Special—

652. Amount required to recoup the agricultural prices support account to cover the net operating loss of the agricultural prices support board during the fiscal year 1949-50, $3,484,918.

Mr. Charlton: I am sorry to detain the committee at this time, but the hon. member for Huron North was not able to be present, and he asked me to read a telegram which he has received regarding cheese having price sup-

port action. The question has been asked on several occasions. The telegram reads as follows:

Blyth, Ont.

L. E. Cardiff, M.P.
Ottawa

At a protest meeting of representatives of the unit holders of Blyth farmers co-operative association a request for immediate action on cheese price was made. A price comparable with other milk prices cannot be paid for cheese milk while selling cheese on the export market and we will be forced to make coloured cheese for the domestic market if something is not done immediately. Please reply.

Blyth farmers co-operative association.

I was not under the impression that coloured cheese was not being requisitioned. Is it a fact that coloured cheese is not requisitioned for Great Britain? Can something not be done to increase the price for cheese that is being requisitioned for the old country, so that the cheese milk price will compare favourably with the price now being paid for concentrated milk?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): In respect to the inquiry of the hon. member for Brant-Wentworth, may I say that I saw a copy of the telegram from Blyth that he has just read. I understand full well the position of the cheese producers of western Ontario. Nevertheless the representatives of the cheese producers and the trade were down here in April and they asked the Minister of Agriculture at that time to requisition cheese so that the contract they held with the United Kingdom might be filled. That was done. I too am well aware of the fact that the concentrated milk people are taking some of the milk that formerly went into the production of cheese.

On the question whether anything will be done to put the price a little higher f.o.b. seaboard or f.o.b. factory, I am of the opinion that probably something should be done and a higher price paid to the cheese producers in western Ontario. But that is a matter of government policy which is being discussed, and I hope that an announcement will be made in the near future.

Mr. Charlton: The parliamentary assistant did not answer my question with regard to coloured cheese.

Mr. McCubbin: If my memory serves me right I did not think that coloured cheese was requisitioned, but it is a fact that cheese is requisitioned. Whether you can sell coloured cheese without a permit, I am not in a position to say.

Mr. White (Middlesex East): Under this requisition order the deal was made last April, but circumstances alter cases. The government has changed its attitude from time to time as conditions change. Therefore it seems to me that if the situation is such that one particular line of produce of a dairy industry is going to be penalized to provide cheese for Britain when the other producers are selling whole milk, concentrated milk, and the like, and are going to get a higher price than the man who is maintaining the export market not only now but in the years that lie ahead by being penalized to the extent of about 50 cents a pound something should be done. I am hoping that the parliamentary assistant—I realize what he said a day or two ago in response to my question, and what he has just said—will be in a position to make an announcement very very shortly.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

657. Departmental administration—further amount required, $44,728.

Hon. W. E. Harris (Minister of Citizenship and Immigration): I regret that I shall have to take a little time to read a statement which has been prepared for delivery for some hours. This is the item on which I might read it.

For some time the government has given consideration to the complex external factors which have led to a serious decline in post-war immigration to Canada. These factors were examined in the light of the basic principles of government policy.

Hon. members have stated that there was and is widespread public support for the immigration policy announced on May 1, 1947, by the prime minister of the day.

It is significant that no one has questioned the soundness of the principles of the immigration policy pursued by the government since that time. Today, three years after it was formulated, and in spite of changing circumstances at home and abroad, the principles of the policy announced by the former prime minister remain unchallenged and, I believe, command the confidence of the Canadian people.

These principles will bear repetition. Canada is to foster the growth of its population by the encouragement of immigration through legislation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can be advantageously absorbed in the national economy. Immigration, however, must not have the effect of altering the fundamental character of the Canadian population.

In reaffirming these principles the government feels that it will receive the approval of the Canadian people. No immigration policy can be successful without the active support of our people.

In seeking a solution to the problems which have had an adverse effect on migration to Canada, it must be obvious that some of those problems can be resolved only in co-operation with other governments. This is the case, for instance, of restrictions imposed by most countries of emigration on the export of capital. It would be inappropriate for me to discuss at this time what may be the outcome of consultation with other countries in this regard. I can only assure the house that every effort is being made to find a way of making it easier for immigrants to obtain as much of their financial assets as possible for the purpose of establishing themselves in Canada. Several alternatives have been and are under consideration and it is hoped that at least a partial solution to the exchange difficulties will be found in the not too distant future.

For instance, our settlement service can be of great assistance. The main functions of this service consist of developing opportunities for the placement and permanent settlement of immigrants in Canada, and seeking and selecting abroad persons possessing the required qualifications or experience to take advantage of these opportunities. This service also assists in the settlement of agricultural families through the guidance of officials experienced in land settlement and who have a specialized knowledge of farming in its various branches. Such assistance is also of clear benefit to artisans and small businessmen who wish to establish themselves in rural areas.

To foster growth of Canada's population and to encourage immigration, regulations must necessarily be flexible. Under the present regulations the admission of immigrants who do not come within the categories therein described have to be admitted by special order in council. This caused administrative delays and often discouraged applicants who would have been desirable citizens of this country. The government has, therefore, by order in council P.C. 2856, dated June 9, 1950, which I hereby table, broadened the regulations governing the admissibility of immigrants. This order in council which will go into effect on July 1, 1950, supersedes P.C. 2743, but does not affect P.C. 2115.

P.C. 2856 does not affect the conditions governing the admission of British subjects as defined in P.C. 2743, citizens of Ireland, citizens of the United States and native citizens of France, who remain admissible as heretofore subject only to complying with civil and medical requirements and being able to support themselves until they find gainful employment.

The admission of all other classes of immigrants is placed in the discretion of the Minister of Citizenship and Immigration. In the precise wording of P.C. 2856 "all other immigrants must satisfy the Minister of Citizenship and Immigration, whose decision shall be final that:

(a) They are suitable immigrants having regard to the climatic, social, educational, industrial, labour and other conditions or requirements of Canada; and

(b) They are not undesirable owing to their peculiar customs, habits, mode of life, methods of holding property or because of their probable inability to become readily adapted or integrated into the life of the Canadian community and to assume the duties of Canadian citizenship within a reasonable time after their entry."

In co-operation with the provincial governments it is intended to pursue surveys already in progress to determine the possibilities for the establishment of immigrants in their respective provinces.

Immigration from the British isles will be encouraged by every means possible. We have already in the United Kingdom representatives of the Department of Labour and of settlement service of the immigration branch advising prospective immigrants. A re-organization of the immigration headquarters in London is in process. In the near future it is expected that we will be able to provide free medical examination, including X-ray, to British immigrants in certain areas of the British isles. In France, new premises were secured last year and the re-organization is almost completed. Immigration from France will also be encouraged. It is also expected that we will shortly be able to provide free medical examination including X-ray for the benefit of prospective French immigrants.

To facilitate the selection of immigrants who will best fit in the Canadian economy, immigration officers serving abroad will receive special training on labour problems through the co-operation of the Department of Labour. Several officers are now receiving guidance at national employment service offices in Canada and others are being selected to commence this training shortly.

To reduce administrative delays and to make the immigration service as efficient as possible, directives from the minister will be issued from time to time to senior immigration officers in the field defining classes of persons who are admissible. Beginning the effective date of the order in council P.C. 2856, July 1, and for the time being, it is proposed to admit the following classes without reference to the minister:

(a) British subjects, citizens of Ireland, citizens of the United States, and native citizens of France as defined in P.C. 2856;

(b) Relatives sponsored by legal residents of Canada in cases where satisfactory settlement conditions are established, such conditions to include good prospects of employment for persons other than dependent relatives;

(c) Persons applying for admission to Canada for the purpose of marriage, provided the prospective husband is able to support his intended wife;

(d) Agriculturists who have sufficient means to farm in Canada;

(e) Immigrants individually nominated by employers in Canada who establish that their services are required; provided that the number of immigrants nominated by an employer in any one group application does not exceed 25;

(f) Domestics and nurses' aides; and

(g) Immigrants recommended by the settlement service of the immigration branch.

With respect to the admission of relatives, hon. members will have noted that this category, formerly restricted to first degree relatives sponsored by residents of Canada, has been widened to include all bona fide relatives, subject to the reasonable condition that, in the case of persons other than those who are by reason of age or some other disability unable to support themselves, the sponsors supply evidence that there is good prospect for employment.

All applications other than those previously mentioned will be referred to the minister for consideration on their merits.

For example, the minister, under the new regulations, will be able to make prompt decisions with respect to such classes as:

(h) Immigrants bringing capital to Canada for the purpose of establishing an industry or business;

(i) Immigrants coming to Canada as artisans or small businessmen for the purpose of establishing themselves in rural areas;

(j) Members of professional classes and others who are deemed capable of making a significant contribution to the economic or cultural life of Canada;

(k) Group movements other than those previously defined;

and, generally speaking, with respect to all immigrants deemed to be desirable and suitable in accordance with the true intent of the regulations enacted by order in council P.C. 2856. It is to be understood that there are no changes in the existing requirements as to health, character and passports.

Mr. Knowles: The minister will probably recall that there has been some discussion in the house with respect to Chinese and I have in mind the matter of foster children. The last time this matter was before the committee the hon. member for Rosetown-Biggar raised a question which the minister said could be dealt with on his supplementaries. Probably he did not know that that would be at a quarter to twelve o'clock, but here we are. Does the new order in council to which the minister has just referred cover the case of a citizen of Canada, Chinese in origin, whose wife, two natural children and one adopted child are in China?

[Mr. Harris (Grey-Bruce).]

Mr. Harris (Grey-Bruce): The order in council referred to a moment ago does not affect P.C. 2115 which still relates to persons from China.

Mr. Knowles: In this case the person is a citizen of Canada and is in Canada. Does that make any difference?

Mr. Harris (Grey-Bruce): None whatever.

Mr. Knowles: Then I draw this case to the attention of the minister and I shall get in touch with him again about it. It seems to me that in this case the minister should exercise discretion if he has it. This is a Canadian citizen whose two grown daughters and adopted son are in China. He can bring his wife and two grown daughters to Canada, but that would mean breaking up the family. Now that this matter has been broadened as suggested by the minister I hope he will give favourable consideration to this matter.

Mr. Higgins: Will applications for citizenship by Chinese residing in Newfoundland prior to union be recognized in so far as the dates are concerned?

Mr. Harris (Grey-Bruce): After the hon. member spoke the other night on the estimates I asked for a report on these particular persons, but I have not been able to read it as yet.

Item agreed to.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

Hon. W. E. Harris (for the Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. Harris (Grey-Bruce) moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1951, the sums of $1,044,731,265.43, $1,666,666.67 and $82,451,398, respectively, be granted out of the consolidated revenue fund of Canada.

Mr. Macdonnell (Greenwood): These figures are being produced without there being any chance of checking them in any way. Can the minister assure us that they have been carefully checked and that there is no possibility of error?

Mr. Garson: I can assure my hon. friend that they have been checked.

Resolution reported, read the second time and concurred in.

Mr. Harris (Grey-Bruce) thereupon moved for leave to introduce Bill No. 319, for granting to His Majesty certain sums of money for the public service of the fiscal year ending March 31, 1951.

Motion agreed to, and bill read the first time.

Mr. Harris (Grey-Bruce) moved the second reading of the bill.

Mr. Drew: We have got things through quite satisfactorily tonight and I think the second reading should be left over until tomorrow. Hon. members will then have an opportunity to examine the bill, which I am sure is in exact form, before it is passed.

BUSINESS OF THE HOUSE

HOUSE TO MEET AT 10.30 A.M. JUNE 30

Right Hon. L. S. St. Laurent (Prime Minister): If I could have unanimous consent I should like to move:

That when the house rises tonight it will reassemble at ten-thirty tomorrow morning.

Hon. members will then have an opportunity to consider the appropriation bill, and we shall be able to arrange for prorogation before noon.

Motion agreed to.

On motion of Mr. St. Laurent the house adjourned at 11.55 p.m.

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

DEPARTMENT OF FISHERIES

111. Departmental administration, $418,340.

112. Fisheries inspection, including fishery officers and guardians, fisheries patrol and protection services, $3,771,000.

113. Educational extension service, including grant of $3,000 to Lunenburg fisheries exhibition, $225,000.

114. Fish culture development, $750,000.

115. Oyster and clam culture, $78,900.

Fisheries research board of Canada—

116. Operation and maintenance, $1,500,000.

117. Construction and improvements, $265,000.

118. To provide for Canadian share of expenses of the international fisheries commission appointed under treaty dated January 29, 1937, between Canada and the United States for the preservation of the north Pacific halibut fisheries, $50,000.

119. To provide for Canadian share of expenses of the international Pacific salmon fisheries commission appointed under treaty dated May 26, 1930, between Canada and the United States for the protection, preservation and extension of the sockeye salmon fisheries of the Fraser river system, $180,650.

120. To provide for Canadian share of expenses of the international Pacific salmon fisheries commission to overcome obstructions to the ascent of sockeye salmon at Hell's Gate canyon and for investigating and overcoming obstructions to such salmon at other points on the Fraser river watershed (revote), $70,000.

121. To provide for transportation, dressing and dyeing and other expenses incidental to receiving and disposing of fur seal skins accruing to Canada pursuant to provisional fur seal agreement between Canada and the United States by exchange of notes dated December 26, 1947, $500,000.

122. To provide for the destruction of harbour seals, $60,000.

123. To provide for administration expenses of Newfoundland fisheries board, $101,300.

124. To provide for maintenance and extension of bait service, $548,400.

125. To provide for Canadian share of expenses of the international whaling commission, appointed pursuant to the international convention for the regulation of whaling, dated at Washington, December 2, 1946, $3,000.

Special—

126. To provide for the extension of educational work in co-operative producing and selling among fishermen, $80,000.

127. To provide for administration expenses of the Fisheries Prices Support Act, 1944, $130,000.

128. To provide for assistance in the construction of vessels of the dragger and/or long liner type, subject to such terms and conditions as may be approved by the governor in council, $100,000.

129. To provide for assistance in the construction of bait freezing and storage facilities, subject to the approval of the governor in council, $100,000.

680. Departmental administration—further amount required, $17,495.

681. Fisheries inspection, including fishery officers and guardians, fisheries patrol and protection services—further amount required, $317,650.

682. Educational extension service — further amount required, $25,000.

683. Fish culture development—further amount required, $29,045.

Fisheries research board of Canada—

684. Operation and maintenance—further amount required, $50,600.

685. Construction and improvements—further amount required, $238,000.

Special—

686. Amount required to recoup fisheries prices support account, to cover the net operating loss of the fisheries prices support board during the fiscal year 1949-50, $869,794.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department and missions abroad—

64. Departmental administration, $2,378,880.

65. Passport office administration, $179,000.

66. Representation abroad—including payment of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries, and staff appointed as directed by the governor general in council notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $4,594,836.

67. To authorize the use during the fiscal year 1950-51 in payment for the acquisition, improvement or furnishing of properties for Canadian government offices and residences in foreign countries of inconvertible foreign currencies from deposits of such currencies which may be used only for governmental or other limited purposes in these countries and which have been received by the government

of Canada from other governments in settlement of claims arising out of military operations or war expenditures, $1.

68. To provide for hospitality in connection with visitors from abroad, $20,000.

69. To provide for relief of distressed Canadian citizens abroad and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account, $15,000.

70. Canadian representation at international conferences, $225,000.

71. Canadian section of Canada-United States permanent joint board of defence including salary of $7,500 for the chairman, notwithstanding anything contained in the Civil Service Act, $10,000.

72. Grant to United Nations Association in Canada, $10,000.

B—General—

The Canadian government's assessment for membership in the following international or commonwealth organizations—

73. United Nations organization, $1,343,700.

Specialized agencies—

74. Food and agricultural organization of the United Nations, $226,600.

75. International Labour Organization, $257,000.

76. United Nations educational, scientific and cultural organization, $309,500.

Commonwealth organizations—

77. Commonwealth communications council, $6,006.

78. Commonwealth economic committee, $17,300.

79. Commonwealth shipping committee, $1,050.

80. Inter-allied reparations agency, $8,670.

International civil aviation organization—

81. To provide the international civil aviation organization with office accommodation at cost, $63,927.

International joint commission—

82. To provide for preliminary studies and surveys of the mid-western watershed (revote), $10,000.

83. To provide for Canada's share of an investigation on the matter of air pollution in the vicinity of Detroit and Windsor, $40,000.

Terminable services—

84. To provide for the Canadian government's contribution to the international refugee organization, $2,108,700.

A—Department and missions abroad—

665. Passport office administration—further amount required, $4,500.

666. Representation abroad—including payment of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staff appointed as directed by the governor in council, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments—further amount required, $280,000.

667. Grant to Fairfield trust committee towards expenses of the international friendship celebration to be held from August 13 to 15, 1950, $2,000.

B—General—

The Canadian government's assessment for membership in the following international or commonwealth organizations—

668. Food and agricultural organization of the united nations—further amount required, $20,900.

669. United nations expanded program for technical assistance to the under-developed countries, $850,000.

Terminable services—

670. United Nations international children's emergency fund, $600,000.

671. United Nations relief and works agency for Palestine refugees in the Near East, $750,000.

672. Commonwealth consultative committee on south and southeast Asia, $400,000.

DEPARTMENT OF JUSTICE

133. Departmental administration, $270,421.

134. Remission service, including remuneration to members of the Royal Canadian Mounted Police Force (to be expended under order in council, and not to exceed $1,600) for assistance to this service, and an amount of $17,165 to reimburse the Royal Canadian Mounted Police Force the amounts disbursed by them in ordinary pay and allowances to their men on loan to this service, $114,497.

135. Administration of justice—miscellaneous expenditure, $10,000.

136. Expenses of litigated matters, $25,000.

137. Annual contribution to the Canadian law library, London, England, $750.

Supreme Court of Canada—

138. Administration, $119,075.

Exchequer Court of Canada—

139. Administration, $77,550.

Yukon Territorial Court—

140. Administration, $9,660.

Other courts—

141. Payments of gratuities to the widows or other dependents of judges who die while in office, $15,000.

142. Combines investigation branch, $213,235.

143. Bankruptcy Act administration, $39,420.

General—

144. To provide for the revision, classification and consolidation of the public general statutes of Canada, $75,000.

145. To provide for the revision of the Criminal Code, $50,000.

Office of the commissioner of penitentiaries—

146. Administration of the office of the commissioner of penitentiaries, including $35,000 for grants to recognized prisoners' aid societies, as may be approved by the governor in council, $263,430.

147. Operation and maintenance of penitentiaries, including administration, construction, purchase of land, supplies, equipment and livestock; maintenance, discharge and transfer of convicts; compensation to discharged convicts permanently disabled while in penitentiaries, $6,895,602.

148. To provide for the establishment and construction by contract of a new institution in the province of Quebec for the confinement and reformation of federal prisoners and to authorize commitments against future years in the amount of $500,000, $500,000.

149. William Tatton, $564.

689. Remission service, including remuneration to members of the Royal Canadian Mounted Police, other police forces and members of social welfare organizations (to be expended under order in council and not to exceed $3,800 additional to the amount of $1,600 in vote 134, main estimates, 1950-51) for assistance to this service—further amount required, $14,541.

690. Yukon Territorial court—administration—further amount required, $500.

691. Combines investigation branch—further amount required, $24,434.

Office of the commissioner of penitentiaries—

692. Operation and maintenance of penitentiaries including administration, construction, purchase of land, supplies, equipment and livestock; maintenance, discharge and transfer of convicts; compensation to discharged convicts permanently disabled while in penitentiaries—further amount required, $856,078.

693. To provide for the establishment and construction by contract of a new institution in the province of Quebec for the confinement and reformation of federal prisoners and to reduce the authority for commitments against future years from $500,000, included in vote 148,—main estimates, 1950-51, to $235,000—further amount required, $265,000.

Royal Canadian Mounted Police—

403. General administration, $315,742.

404. Land services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses, $16,496,326.

405. Marine services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses, $1,044,888.

406. Aviation services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses, $184,961.

407. Grant to the Chief Constables Association of Canada, $500.

Pensions and other benefits—

408. To compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty, $36,000.

409. Pensions to families of members of the mounted police who have lost their lives while on duty:

Mrs. Mary Emma Bossange, $457.

Mrs. Margaret Johnson Brooke, $840.

Mrs. Margaret Cox, $411.

Mrs. Victoria Desjardins, $411.

Mrs. Georgina Harrison, $677.

Mrs. Letitia Kennedy, $424.

Mrs. Nora Jean Massan, $300.

Mrs. Margaret Nicholson, $548.

Mrs. Catherine Mildred Ralls, $676.

Mrs. Doris Freda Sampson, $816.

Mrs. Madelaine Mary Shoebotham, $810.

Mrs. Eunice Wainwright, $603.

410. Pension to Basil Burke Currie, $685.

411. Pension to Annie A. Greer, $254.

775. Land services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses—further amount required, $1,050,449.

776. Marine services—arising out of the Royal Canadian Mounted Police Act, enforcement of federal statutes generally, and other incidental expenses—further amount required, $48,529.

PRIME MINISTER'S OFFICE

275. Salaries of staff and allowances, $124,260.

Privy council office—

276. General administration, $249,580.

277. To provide for expenses of the royal commission on national development in the arts, letters and sciences, $175,000.

Federal district commission—

278. Maintenance and improvement of grounds adjoining government buildings, Ottawa, and improvements to the parkway system under the control of the federal district commission, $304,500.

279. Expenses of the national capital planning committee, $100,000.

280. To authorize payment of the third instalment to a special account in the consolidated revenue fund known as the national capital fund, established under vote No. 809, Appropriation Act, No. 4, 1947-48, $2,500,000.

Privy council office—

Federal district commission—

724. Maintenance and improvement of grounds adjoining government buildings, Ottawa, and improvements to the parkway system under the control of the federal district commission—further amount required, $12,000.

725. To authorize entry into and performance of an agreement, including payment of expenditures incurred by the federal district commission thereunder out of the national capital fund, between the federal district commission and the Canadian National Railway Company to provide, on such terms and conditions as may be approved by the governor in council, that (a) the federal district commission will acquire from His Majesty lands now held by His Majesty for the purpose of a railway cutoff line and freight yard in south Ottawa in accordance with the master plan for the national capital district and will construct, at its expense, the requisite railway facilities thereon; (b) the federal district commission will grant a right of user in perpetuity over the new facilities to the Canadian National Railway Company in exchange for a conveyance free of charge of lands and facilities now used by the railway company for which the new facilities are to be substituted, such right of user not to exclude use by other railways of the facilities as may be agreed by the commission; (c) the federal district commission will reimburse the Canadian National Railway Company for costs incurred by the company by reason of the abandonment of existing facilities and transfer of operations to the new facilities; (d) the Canadian National Railway Company, together with any other railway using the new facilities, will operate and maintain the new facilities at their own expense; and for matters incidental thereto, $1.

Governor general and lieutenant governors—

130. Office of the secretary to the governor general, including the salary of the secretary to the governor general at $7,600 additional to salary authorized by R.S.C. chap. 182, $117,065.

LEGISLATION

The Senate—

The Speaker of the Senate—

171. Allowance in lieu of residence, $3,000.

Members of the Senate—

172. General administration, $327,378.

House of Commons—

The Speaker of the House of Commons—

173. Allowance in lieu of residence, $3,000.

Deputy Speaker of the House of Commons—

174. Allowance in lieu of apartments, $1,500.

Members of the House of Commons—

175. General administration—estimates of the Clerk, $873,335.

176. Estimates of the Sergeant-at-Arms, $519,986.

177. Subscriptions to publications of the Commonwealth Parliamentary Association to be distributed

to members of the House of Commons, and to provide for the Canadian share of expenses of the Commonwealth Parliamentary Association, $10,000.

178. To provide hereby, notwithstanding anything contained in the Consolidated Revenue and Audit Act or the provisions of the Senate and House of Commons Act respecting the independence of parliament, for the payment out of the consolidated revenue fund to each member of the House of Commons appointed by the governor in council to be a parliamentary assistant (which appointment shall not render such member ineligible or disqualify him as a member of the House of Commons) to assist a minister of the crown in such manner and to such extent as the minister may determine and to represent his department in the House of Commons in the absence of the minister therefrom, a salary of four thousand dollars per annum and pro rata for any period less than a year, $56,000.

179. To provide for an allowance to the deputy chairman of committees, $2,000.

General—

180. Printing of parliament, including salaries of staff of the joint distribution office, $266,963.

Library of parliament—

181. General administration, $132,020.

Pensions and other benefits—

182. Pension to the unmarried sister of the late Colonel Harry Baker, M.P., $700.

The Senate—

699. To provide for the payment of the full sessional indemnity for the session of 1950 to members of the Senate for days lost through absence caused by public business, by illness or on account of death. Payments to be made as the treasury board may direct, $25,000.

700. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the Senate who attended the first part of the present session which commenced on February 16, 1950, and ended on April 5, 1950, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Easter adjournment of parliament on April 5, 1950, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during the present session, $5,000.

701. General administration—further amount required, $12,868.

House of Commons—

702. To provide for the full sessional indemnity to members of the House of Commons—days lost through absence caused by illness, official public business, or order of the house, or on account of death during the session of 1950—notwithstanding anything to the contrary in chapter 147 of the Revised Statutes, 1927, an act respecting the Senate and House of Commons, or any amendment thereto. Payments to be made as the treasury board may direct, $10,000.

703. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the House of Commons who attended the first part of the present session, which commenced on February 16, 1950, and ended on April 5, 1950, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Easter adjournment of parliament on April 5, 1950, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during the session, $15,000.

704. General administration—estimates of the Clerk—further amount required, $46,900.

705. Estimates of the Sergeant-at-Arms—further amount required, $3,000.

Library of Parliament—

706. General administration—further amount required, $6,040.

DEPARTMENT OF FINANCE

Public debt charges—

Servicing of public debt—

97. Commission for payment of interest on public debt, payment of premiums on government of Canada, sterling securities, services of fiscal agents, London, registrar's fees, etc., $406,100.

98. To provide, subject to the approval of the treasury board, and as detailed in the estimates, for losses incurred in the issue and redemption of Canada savings bonds, and for miscellaneous losses arising from the sale or distribution of war savings certificates, war savings stamps, victory bonds or Canada savings bonds, $15,500.

Subsidies and other payments to provinces—

99. To authorize and provide for payment in such amount as may be necessary in respect to those matters supplementary to the terms of union of Newfoundland with Canada, specified in paragraph XXIII of the note dated December 11, 1948, of the Prime Minister of Canada to the chairman of the Newfoundland delegation entitled "statements on questions raised by the Newfoundland delegation during the negotiations for the union of Newfoundland with Canada," tabled in the House of Commons on the 27th day of January, 1949 (revote), $300,000.

Payments to municipalities—

100. Grants to municipalities in lieu of taxes on federal property—to provide for administration of the program respecting grants to municipalities in lieu of taxes on crown property outlined in the House of Commons on November 14, 1949, including grants and other payments to be made in accordance with regulations of the governor in council, $1,655,000.

Contingencies and miscellaneous—

101. To provide, subject to the approval of the treasury board, for miscellaneous minor and unforeseen expenses, including recoverable advances for working capital purposes, and for the re-use of any sums repaid to this appropriation from other appropriations, $1,000,000.

102. Cost of telephone service at Ottawa for all departments, $415,000.

General items of payroll costs including superannuation payments—

103. To provide for a government contribution to the superannuation fund in an amount equal to the estimated current payments of individual contributions in the previous fiscal year, $7,100,000.

104. To provide, subject to the approval of the treasury board, for supplementing other votes for the payment of salaries, wages and other paylist charges, $1,000,000.

105. To provide for the government's contribution as an employer, to the unemployment insurance fund in respect of government employees paid through the central pay office, $1,050,000.

Miscellaneous grants—

106. Canadian General Council of the Boy Scouts, $15,000.

107. Canadian Council of the Girl Guides Association, $9,000.

108. Royal Astronomical Society of Canada, $2,000.

109. Royal Canadian Academy of Arts, $2,025.

110. Canadian Writers Foundation, $4,000.

Auditor general's office—

46. Salaries and expenses of office, $578,762.

General administration—

673. Departmental administration—further amount required, $63,205.

Administration of various acts and costs of special functions—

674. To reimburse the Saskatchewan government for the cost of administering provincial rent control in that province, $100,000.

General items of payroll costs including superannuation payments—

675. To provide, subject to the approval of the treasury board, for supplementing other votes for the payment of salaries, wages and other paylist charges—further amount required, $1,000,000.

Insurance—

131. Departmental administration, $325,275.

132. Expenses of work in the interests of fire prevention, $18,165.

687. Departmental administration—further amount required, $19,652.

688. Expenses of work in the interests of fire prevention—further amount required, $5,840.

DEPARTMENT OF VETERANS AFFAIRS

Terminable services—

555. Post discharge rehabilitation benefits including out of work allowances, university and vocational training, including the training of merchant seamen and salt water fishermen pensioners, awaiting returns allowances, temporarily incapacitated allowances and unemployment insurance contributions, $14,045,500.

556. Hospital accommodation and facilities, and to authorize commitments against future years in the amount of $11,319,414, $4,535,000.

Soldier Settlement and Veterans' Land Act—

563. To provide for protection of security—soldier settlement, and refunds of surplus to veterans, $25,000.

564. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment, refund of surplus to veterans (section 19); and for protection of security under the Veterans' Land Act, $29,000,000.

813. Treatment services — further amount required, $750,000.

814. Canadian pension commission—administration expenses, including salaries for the chairman of the Canadian pension commission at $2,000 per annum, and the deputy chairman and each of the other commissioners, including ad hoc commissioners, at $1,000 per annum additional to the salaries provided under chapter 23, statutes of 1948—further amount required, $15,000.

Payments to or for veterans and dependents—

815. Newfoundland special awards—to authorize and provide for payment of pension in accordance with the provisions of section 32 (2) of the Pension Act to a widow of a former member of the Newfoundland forces whose death took place prior to union where the former member of the forces was in receipt of pension of 50 per cent or more at the time of death and the widow would have been entitled to pension if the husband had died after the date of union, such payments to be made from vote 538, main estimates, 1950-51, $1.

816. War veterans' allowances—further amount required, $3,895,000.

Miscellaneous payments—

817. Employers liability compensation—further amount required, $30,000.

Soldier Settlement and Veterans' Land Act—

818. To provide for the cost of administration of Veterans' Land Act; soldier settlement and British family settlement — further amount required, $104,500.

Housing projects—

821. To authorize the Minister of National Defence on transfer to the Department of National Defence of works or buildings, or both, constructed or converted by Central Mortgage and Housing Corporation for the said department, to assume the obligation of the corporation to re-pay advances made to it in respect of the works and buildings so transferred, together with interest, in accordance with the terms of the relevant debentures delivered by Central Mortgage and Housing Corporation as evidence of the obligation, the corporation to be fully discharged from the said obligation to the extent that it is so assumed, $1.

Soldier Settlement and Veterans' Land Act—

824. To provide for protection of security—soldier settlement, and refunds of surplus to veterans —further amount required, $45,000.

825. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment, refund of surplus to veterans (section 19); and for protection of security under the Veterans' Land Act—further amount required, $1,500,000.

POST OFFICE DEPARTMENT

269. Departmental administration, $1,373,625.

270. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices, $42,247,430.

271. Inspection and investigation, $1,895,370.

272. Railway mail service, $15,857,170.

273. Air and land mail services, $22,094,857.

274. Financial services, including audit of revenue, money order and savings bank business, and postage stamps, $2,194,305.

721. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices—further amount required, $1,266,143.

722. Inspection and investigation—further amount required, $32,675.

723. Air and land mail services—further amount required, $669,500.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

245. Assistance to schools of social work, $52,500.

Old age pensions (including pensions to the blind)—

242. Administration, $86,320.

National health branch—health services—

715. Opium and narcotic drugs—further amount required, $32,000.

716. Industrial health—further amount required, $54,379.

General health grants—

717. To authorize and provide for health grants to the provinces upon the terms set out in the details of the main estimates for the fiscal year ending March 31, 1951, and in the amounts detailed in these supplementary estimates, in accordance with regulations prescribed by the governor in council and to authorize, notwithstanding section 29 of the Consolidated Revenue and Audit Act, additional commitments for the current year not exceeding $1,144,437, $1.

DEPARTMENT OF LABOUR

B—Unemployment Insurance Act, 1940—

635. To provide for the payment of unemployment assistance to certain residents of Newfoundland to give effect to the terms of union of Newfoundland with Canada, in accordance with regulations of the governor general in council, and such assistance shall be deemed to be a benefit or payment within the meaning of sections 33 and 67 of the Unemployment Insurance Act, 1940—further amount required, $2,500,000.

A—Department—general administration—

694. Departmental administration—further amount required, $15,061.

Annuities Act—

695. To authorize the Minister of Labour, notwithstanding the Government Annuities Act, where he has entered into a contract under the Government Annuities Act, the effective date of which is after May 31, 1920, for payment of a deferred annuity to any two persons during their joint lives with continuation to the survivor and one such person dies before the due date of first instalment, at the request of the survivor and in accordance with regulations made by the governor in council or the provisions of the contract or both, to convert such contract into a contract for the payment of an annuity to the survivor of an amount not exceeding the maximum amount that might have been paid under the original contract and to recalculate the premium to conform to the premium that would have been payable had the survivor been the only annuitant under the original contract; and to provide for payment out of the government annuities account in the current and any subsequent fiscal years in accordance with any contract so converted; and, where conversion has been made as aforesaid, to authorize and provide for payment out of the government annuities account in the current and subsequent fiscal years to the surviving purchaser under the original contract, or his legal representatives, of any amount by which the sums paid in under the original contract, with interest at the rate applicable under that contract, exceed the amount required for the purchase of the maximum annuity payable under the contract as converted, $1.

696. Fair wages, conciliation, industrial relations, industrial disputes investigations, including the administration of legislation relating thereto, and for activities re promotion of co-operation in industry between labour and management—further amount required, $14,868.

Government employees' compensation—

697. Administration of the Government Employees' Compensation Act—further amount required, $1,600.

B—Unemployment Insurance Act, 1940—

698. Administration, including expenditures incurred in connection with the activities of the national employment service as delegated by the Minister of Labour in accordance with section 88 of the act—further amount required, $341,825.

DEPARTMENT OF AGRICULTURE

Science service—

636. Science service administration — further amount required, $508,000.

637. Animal and poultry pathology — further amount required, $13,900.

638. Botany and plant pathology—further amount required, $75,000.

639. Agricultural entomology — further amount required, $80,500.

640. Forest entomology—further amount required, $255,000.

Experimental farms service—

641. Central experimental farm—further amount required, $45,700.

642. Branch farms and stations and illustration stations—further amount required, $175,265.

Production service—Health of animals—

643. Administration of Animal Contagious Diseases Act, and Meat and Canned Foods Act—further amount required, $111,580.

644. Compensation for animals slaughtered, including compensation for eggs destroyed from infected premises in accordance with regulations of the governor in council—further amount required, $550,000.

645. To provide for payment of compensation to owners of animals affected with diseases coming under the operation of the Animal Contagious Diseases Act, which have died or have been slaughtered under circumstances unprovided for under the above act and regulations thereunder, in the amounts detailed in the estimates, $3,745.

646. To provide for the payment of additional compensation to owners of pure-bred dairy cattle from fully accredited herds which reacted to tuberculin tests in circumstances that left a reasonable doubt as to the accuracy of the tests, in the amounts detailed in the estimates, $4,860.

647. Live stock and poultry—further amount required, $16,500.

648. Grants to fairs and exhibitions, under such terms and conditions as may be approved by the governor in council and subject to allocation by the treasury board—further amount required, $8,000.

649. Grants to agricultural organizations, as detailed in the estimates — further amount required, $10,000.

Marketing service—

650. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $267,893.

Terminable services—

651. Freight assistance on western feed grains—further amount required, $13,000,000.

Special—

652. Amount required to recoup the agricultural prices support account to cover the net operating loss of the agricultural prices support board during the fiscal year 1949-50, $3,484,918.

653. To provide assistance to the apple growers in British Columbia under such terms and conditions as may be approved by the governor in council, $2,000,000.

654. To provide assistance to the apple growers in Nova Scotia under such terms and conditions as may be approved by the governor in council, $500,000.

655. Major irrigation and water conservation projects in the prairie provinces—further amount required, $769,000.

656. Land protection and reclamation; clearing and settlement of new lands under such terms and conditions as may be approved by the governor in council—further amount required, $150,000.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Citizenship and immigration—

657. Departmental administration—further amount required, $44,728.

Citizenship—

658. Citizenship branch (revote $10,000)—further amount required, $12,000.

Immigration branch—

659. Field and inspectional service, Canada—further amount required, $280,797.

660. Field and inspectional service, abroad—further amount required, $72,896.

Indian affairs branch—

661. Branch administration — further amount required, $45,461.

662. Indian agencies—further amount required, $125,988.

Welfare—

663. Welfare of Indians—further amount required, $232,643.

Education—

664. Indian education—further amount required, $172,910.

PUBLIC WORKS DEPARTMENT

727. Departmental administration—further amount required, $11,500.

Architectural branch—

728. Branch administration — further amount required, $40,000.

729. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc.—further amount required, $265,000.

Construction, repairs and improvements of public buildings—

Construction, acquisition, repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amounts required—

730. Newfoundland, $480,000.

731. Nova Scotia, $133,000.

732. Prince Edward Island, $50,000.

733. New Brunswick, $300,000.

734. Quebec, $400,000.

735. Ontario, $1,611,000.

736. Manitoba, $40,000.

737. Saskatchewan, $135,000.

738. Alberta, $247,000.

739. British Columbia, $216,000.

740. Generally, $10,150.

Engineering branch—dredging—

741. Newfoundland — further amount required, $140,000.

742. Manitoba, Saskatchewan, Alberta and Northwest Territories—further amount required, $150,000.

Maintenance and operation of graving docks, locks and dams, etc.—

743. Locks and dams—further amount required, $73,000.

Maintenance and operation of roads and bridges—

744. Kingston, LaSalle causeway—further amount required, $15,000.

745. Generally—further amount required, $16,500.

Construction, repairs and improvements—harbours and rivers—

Construction, acquisition, repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amounts required—

746. Newfoundland, $12,000.

747. Nova Scotia, $284,000.

748. Prince Edward Island, $89,500.

749. New Brunswick, $350,000.

750. Quebec, $2,079,900.

751. Ontario, $1,562,700.

752. Saskatchewan, Alberta and Northwest Territories, $17,000.

753. British Columbia, $1,707,000.

General—

754. National gallery of Canada—further amount required, $23,184.

755. To supplement, on approval of treasury board except where less than $500 is required, any of the appropriations of the department of public works—further amount required, $100,000.

756. To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1950-51—further amount required, $100,000.

757. Portrait of the late Sir Charles Fitzpatrick, $1,500.

HOUSE OF COMMONS

Friday, June 30, 1950

The house met at ten-thirty o'clock.

EXTERNAL AFFAIRS

SITUATION IN KOREA—CANADA'S PART IN COLLECTIVE ACTION UNDER UNITED NATIONS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to make a further brief report to the house with regard to our relationship to the present situation in Korea.

As the Secretary of State for External Affairs (Mr. Pearson) said yesterday, our responsibility in this matter arises entirely from our membership in the United Nations and from our support of the resolution of the security council passed on Tuesday last, part of which reads as follows:

> The security council . . . Recommends that the members of the United Nations furnish such assistance to the republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area.

Any participation by Canada in carrying out the foregoing resolution—and I wish to emphasize this strongly—would not be participation in war against any state. It would be our part in collective police action under the control and authority of the United Nations for the purpose of restoring peace to an area where an aggression has occurred as determined under the charter of the United Nations by the security council, which decision has been accepted by us. It is only in such circumstances that this country would be involved in action of this kind. The house, I think, has already approved this position.

I would add, however, that if we are informed that a Canadian contribution to aid United Nations operations, under a United Nations commander, would be important to achieve the ends of peace, which is of course our only purpose, then the government wishes parliament to know that it would immediately consider making such a contribution. It might, for instance, take the form of destroyers to operate with other naval units of the United Nations, though our destroyers could not in any event reach Korean waters in less than about three weeks' time, because after all it is more than six thousand miles from Esquimalt.

Hon. members will recall that our naval units there were to proceed to European waters for summer exercises. These arrangements will be suspended, and the move will now be made into western Pacific waters, where the ships would be closer to the area where they might be of assistance to the United Nations and Korea if such assistance were required. If the situation in Korea or elsewhere, after prorogation, should deteriorate and action by Canada beyond that which I have indicated should be considered, parliament will immediately be summoned to give the new situation consideration.

Meanwhile the government, within the mandate which the attitude of the house in the last two days has given it, will do its full duty, within the measure of its power and ability, as a member of the United Nations, in common with other members, to make the collective action of the United Nations effective, and to restore peace in Korea. If this can be done—and it can—then the chances of preserving and strengthening peace over far wider areas of the world than Korea will be immensely increased.

Mr. George A. Drew (Leader of the Opposition): The house will welcome the assurance by the Prime Minister (Mr. St. Laurent) that in the event of deterioration of the situation which would call for action, parliament will immediately be summoned. It is particularly appropriate that on the day we prorogue there should be a further opportunity to discuss this subject in the light of the statement which the Prime Minister has made.

As the Prime Minister has pointed out, we are now seeing the first real effort to make the collective principle of the United Nations charter effective in the form of sanctions, in an instance in which there has been clear-cut aggression such as has occurred within the past week in Korea. Far from feeling depressed about the gravity of the events, it seems to me that all of us should be greatly encouraged by the hope this offers that the steady wave of aggression which has spread over many parts of the world in these past few years may at last be stemmed by the vigorous and effective joint action of free men throughout the world.

I think the sentiment of this house has been clearly demonstrated within the past

few days. What is important is that there seems little doubt that the sentiment expressed in this house is the sentiment of the people of Canada whom we represent. That sentiment seems to be unreservedly behind such collective action at this time as will offer the one hope of peace that is before us. This being so, I do not think we should leave this house today with any lack of appreciation of the full seriousness of the events of those past two days.

The United States, as the only nation with effective military forces within the area where aggression has occurred, has taken action which has already produced significant results. That action, however, has been action on behalf of the United Nations, which is represented in that area through a commission which was charged with the responsibility for administering the area. Anything that is done there will be action on behalf of the United Nations, as pointed out by the Prime Minister in the remarks he has just made. What is of vital importance and vital concern to every one of us is that more than the use of military force has been committed within these past few days. The whole prestige of the United Nations has been committed. Our prestige and the prestige of every member nation are committed by these events. On the outcome of this issue in Korea depends the future effectiveness of the United Nations. For that reason it is not only the fate of South Korea that hangs in the balance; it is the fate of the United Nations, the fate of that organization upon which the hope of peace in the years ahead now rests.

Had it been necessary, any of us could have made these remarks in discussing the supply bill this morning. For that reason I should like to point out that we shall presently be dealing with a supply bill which includes very large sums for national defence. Under the terms of that bill additional expenditures can be made and additional commitments undertaken if that becomes necessary. Before we leave here today I think it should be said in this chamber that in the light of world events every hon. member, I feel sure, will support such action as is necessary to bring our defence forces to the highest state of effectiveness.

This morning I saw in a press report from Korea a short statement which, it seems to me, casts a warning light upon the consideration of defence measures in times like these. There was in that statement a tragic explanation of the rapid advance of the North Korean forces. It explained that the morale of the southern troops was excellent, but that having regard to the mountainous nature of the country, interspersed with paddy fields, it had been not thought practicable or necessary to supply the southern forces with tanks and other heavy equipment. This report emphasized that the psychological effect of heavy tanks in the possession of the northern forces had a great deal to do with the sudden weakening of the southern line. It then went on to say that one division of Southern Koreans had dealt effectively with that situation. They had suddenly organized suicide squads. Volunteers had gone into action against the tanks with dynamite strapped to their bodies. By these supreme acts of heroism, the tanks had been stopped by units of that division. With all the lessons of the past few years, and with all the courage of our people, neither here in Canada nor elsewhere do we want to see the necessity arise for suicide squads to replace armoured equipment which could be produced by the greatest industrial nations of the world. For that reason I urge that every step now be taken to equip with the most modern aircraft, the most modern armour and the most modern weapons those gallant young men and women who wear the uniform of Canada. There are ways in which this can be done.

While we are waiting for production to give us the arms, the equipment and the armour that we need, it should be possible for us to make arrangements with the United States or Great Britain for certain types of equipment which we then could replace at a later date. But, Mr. Speaker, it seems to me that, in the light of events as they are before us today, the one thought that must be in the minds of all of us is that every step that can be taken by this government to bring our armed forces up to a state of effective organization, in being, for whatever situation we might be called upon to face, is the number one priority of the government in the days and weeks ahead.

When we shall not be meeting in this House of Commons the people of Canada should be kept fully informed from day to day by the government as to events which may affect the lives of every one of us. I hope that the people of Canada, because they are the ones who will be directly concerned, will be fully informed by the government, and particularly by the Department of National Defence, as to steps which have been taken to bring to the greatest measure of effectiveness the highly disciplined and highly skilled units which we possess.

Once again I emphasize what I said before: that the preparations we are making today, the collective action which is taking place in Korea, is for the purpose of preserving peace; and everything we do to increase the effectiveness of our defence forces in Canada

and elsewhere is the one real guarantee of peace that exists for us in the troubled world of today.

In taking whatever steps may be necessary to preserve the peace, I am sure that the government of Canada will have the wholehearted support of all the people of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we regard it as fitting that the Prime Minister (Mr. St. Laurent) should have taken the house into his confidence as he did this morning. We are gratified by the two assurances he has given us, and the two points he has emphasized. On the one hand he has assured us that Canada will live up to her obligations under the United Nations charter, and that any action taken by Canada will be taken under the auspices of the United Nations. With that emphasis we are in complete accord. On the other hand the Prime Minister has given us the assurance that if there is any deterioration in the situation, parliament will be summoned. We are grateful for that assurance. It is as it should be; nevertheless it is good to have it on the record. We feel that the way of collective security on the international front and strict adherence to the principles of democracy in our own affairs is the one way that offers hope and peace in this troubled world.

Mr. Solon E. Low (Peace River): Mr. Speaker, I just wish to say a word to commend the Prime Minister (Mr. St. Laurent) upon having made the statement he did this morning, and upon having given us the assurance that, in the event of its being necessary, this parliament will be called to consider further measures that may have to be taken to fulfil our commitments.

I stated the other day, and I am emphasizing it now, that the cost of being unprepared to meet the dangers that are extant may be far greater than the cost of being fully prepared. For that reason I join with the leader of the opposition (Mr. Drew) in saying: Let us be as fully prepared as we possibly can be for the days to come.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, if I did not rely upon the wisdom and the foresight of my leader, the Prime Minister (Mr. St. Laurent) I would make now a longer speech than that of the leader of the opposition (Mr. Drew).

REPORTS AND PAPERS

Hon. F. G. Bradley (Secretary of State): Mr. Speaker, I wish to lay on the table of the house parliamentary return, reference No. 145, moved by the hon. member for Wentworth (Mr. Lennard). May I add that I am expecting another return this morning, which has not yet arrived. I would ask leave to hand it in when it comes.

TRADE WITH BRITAIN

SALES OF IRON ORE AND SALT CODFISH TO UNITED KINGDOM

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to ask the Minister of Trade and Commerce a question, of which he has been given notice. On Monday, June 26, the minister stated that, as a result of the talks he had while in England and subsequent talks that are now current in England, before the end of this week he hoped to be able to announce the sale of 300,000 tons of iron ore to the United Kingdom for delivery this year, coupled with 700,000 tons of iron ore for delivery in 1951. He also stated that, with respect to new markets for salt codfish, he expected to make an announcement also before the end of this week. Would the minister inform the house if he is now ready to make this announcement, and if not, when does he expect it will be made?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am not in a position at the present time to extend the remarks I made last Monday. If the hon. member will keep a watchful eye on the daily press, I think he will be informed shortly.

Mr. Fulton: As soon as prorogation takes place.

SUPPLY BILL

Hon. Stuart S. Garson (Acting Minister of Finance) moved the second reading of Bill No. 319, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

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

On section 1—*Short title.*

Mr. Knowles: Does this bill differ in any particular from the appropriation bills usually brought before the house?

Mr. Garson: It does differ in one particular, in that it increases the amount of the borrowing authority referred to in section 5 of the bill from $200 million to $500 million. As hon. members, particularly those who have been here longer, will recall, the authority to borrow money for refunding purposes is usually contained in the first appropriation bill passed each year. The authority to borrow money for other than refunding purposes

is contained in the final appropriation bill which in the present case is the one we are now considering.

The amount so authorized started out in 1931 as $150 million; it was raised in 1932 to $200 million, and remained at that figure until the present time, when it is being increased to $500 million. This is made necessary because each year latterly we have been issuing Canada savings bonds in amounts in excess of $300 million per year. In addition at certain times it is necessary to raise money temporarily to meet extraordinary payments. This is often a question of timing. It is possible that at certain times our cash position is such that instead of refunding maturing issues we are able to pay them out of cash on hand. When this is done it may later become necessary that we replenish our cash by new borrowings, which, since they are not refundings, cannot be issued under the authority contained in the Appropriation Act No. 1. Thus as long as we are following the present financial policy it is necessary for us to increase our borrowing authority in the manner indicated, although this increase in borrowing authority does not mean that we shall use it to increase the public debt any more than we would have done under the $200 million borrowing authority.

Mr. Macdonnell (Greenwood): If we could consider section 5 I should like to ask the minister to give us assurance on one point. The wording of the section is:

> . . . not to exceed in the whole the sum of five hundred million dollars, as may be required for public works and general purposes . . .

My understanding is that that is merely a phrase which somehow or other has crept in and is used, but that in fact this borrowing will not increase the public debt in any way but will be expended purely for financial operations of the type indicated.

Mr. Garson: I am not just sure what meaning my hon. friend has in mind to attribute to this phrase but as I understand the operations of this matter, it works in this way: We borrow money for public works and general purposes, which is the phrase used in the section. The necessity for increasing this borrowing authority arises from the fact that if in following out our policy to encourage savings we should issue $300 million per year in Canada savings bonds, it puts us in a cash position at various times which is not necessarily related to our borrowing needs. We sometimes have to use that cash for paying off rather than refunding an issue, and when we do that it creates the necessity of having greater borrowing powers later on.

Mr. Macdonnell (Greenwood): I am satisfied with that explanation. I raised the point simply to draw attention to the somewhat unusual words and to be assured just what was meant by public works.

Section agreed to.

Sections 2 to 6 inclusive agreed to.

Schedules A, B and C agreed to.

Title agreed to.

Bill reported.

Mr. Garson moved the third reading of the bill.

Mr. Knowles: By leave.

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

PROROGATION OF PARLIAMENT

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

Ottawa, June 30, 1950

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber at 11.30 o'clock for the purpose of proroguing the present session of parliament.

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

BUSINESS OF THE HOUSE

Mr. St. Laurent: May I suggest that the sitting be suspended until we receive a message from the other place?

I should like to take just a moment to express on my behalf, and on behalf of my colleagues, appreciation of the manner in which the matters brought before the house by the government, in the discharge of which it considered to be its responsibilities, have been dealt with by all hon. members. At the same time I should like to extend to all hon. members our best wishes for a restful holiday, which will enable them to return whenever the occasion requires in the mood that has been displayed throughout the whole of this session.

SITTING SUSPENDED

At 11.10 p.m. the sitting was suspended until twelve o'clock noon this day.

SITTING RESUMED

The house resumed at twelve o'clock noon.

THE ROYAL ASSENT

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

Mr. Speaker, the Honourable the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly the house went up to the Senate chamber.

In the Senate chamber, the Deputy Governor General was pleased to give, in His Majesty's name, the royal assent to the following bills:

An act for the relief of Marilyn Ruth Cohen Novak.

An act for the relief of Mary Elizabeth Bernatchez Russell.

An act for the relief of Winnifred Evelyn Thompson Clift.

An act for the relief of Maida Maria Howard Martin.

An act for the relief of June Hedy Leshynska Thompson.

An act for the relief of Rosemary Smalley Carrier.

An act for the relief of Arthur William Goodson.

An act for the relief of Dorothy Melbourne Davis Wand.

An act for the relief of Frank Lear Rogers.

An act for the relief of Roma Leduc.

An act for the relief of Edna Rosaline Casavant Dufresne.

An act for the relief of Leo Berger.

An act for the relief of Katherine Madge Samworth Monty.

An act for the relief of Clara Rosen Freedman.

An act for the relief of Frances Berman Mellor, otherwise known as Sharie Sinclaire.

An act for the relief of Rodolphe Durand.

An act for the relief of Helen Leck Karaszi.

An act for the relief of Sadie Chernin Petruska, otherwise known as Sadie Chernin Prince.

An act for the relief of Audrey Phyllis Angela Blom Rochfort.

An act for the relief of Patricia Ruth Segall Wener.

An act for the relief of Sophie Piatkowski Demyk.

An act for the relief of Hilda Brooks Nangreaves.

An act for the relief of Zemelia Katrina Ayoub MacDonald.

An act for the relief of Margaret Mary Hamel Whittaker.

An act for the relief of Lewis Benjamin Wyman.

An act for the relief of Edna Dora Tucker Conley.

An act for the relief of Dorothy Marguerite Lester McBride.

An act for the relief of Josephine Rood Trottier.

An act for the relief of Margaret Irene Sinden Brown.

An act for the relief of Camille Poulin.

An act for the relief of Elisa Macdonald Mitchell Brock.

An act for the relief of Theodore Levasseur.

An act for the relief of Mary Marguerite Harvie Fine.

An act for the relief of Joseph Lucien Andre Bergeron.

An act for the relief of Thelma Leggo Chicoine.

An act for the relief of Anna Kathleen Olga McCone Shaw.

An act for the relief of Martin Luke Marlow.

An act for the relief of Helena Wilhelmina Thornburg Lawton.

An act for the relief of Bonnie Ruth McNab Sarrasin.

An act for the relief of Lyndia Betsy Mayes Bernier.

An act for the relief of Sarah Modlinsky Markis.

An act for the relief of Anna Patiris Sarakinis.

An act for the relief of Julia Ann Ramsell Blane.

An act for the relief of Cyrile-Orance-Horence Presseau.

An act for the relief of Paul Edmond Meerte.

An act for the relief of Charles George Storey.

An act for the relief of Mary Muriel Inez Larman Jarry.

An act for the relief of Mary Zilda Alix Runcie.

An act for the relief of Aili Esteri Kankaanpaa Toebben.

An act for the relief of Pierre Bouchard.

An act for the relief of William Aubrey Ricardo Aird.

An act for the relief of Marguerite Carmen Samson Wrigglesworth.

An act for the relief of Andrew Cerat.

An act for the relief of Marie Lucille Giselle Roy Veilleux.

An act for the relief of Mabel Pearl Speirs Lazor.

An act for the relief of Lena Grace Connolly Hibberd.

An act for the relief of Lilian Ferguson Gardner.

An act for the relief of Marion Leonard Ryan.

An act for the relief of Joseph Georges Neville Poirier.

An act for the relief of Marie Gisele St. Laurent Therrien.

An act for the relief of Norah Nichol Meighen Allan.

An act for the relief of Dora Eleanor Chalmers Grisley.

An act for the relief of Ruth Desiree Morrissette Chevalier.

An act for the relief of Richard Martello Johnston.

An act for the relief of Ernest Beliveau.

An act for the relief of David Allan Ferguson.

An act for the relief of Ann Louise Fuller Brais.

An act for the relief of Helen Leola Davidson Hunter.

An act to amend the Aeronautics Act.

An act to amend the Tariff Board Act.

An act to amend the National Parks Act.

An act to amend the Electricity Inspection Act, 1928.

An act to amend the Gas Inspection Act.

An act respecting the units of electrical and photometric measure.

An act to amend the Income Tax Act.

An act to provide for the publication of statutory regulations.

An act to amend the Department of Transport Stores Act.

An act to provide for the payment and distribution of prize money.

An act to amend the Militia Pension Act and change the title thereof.

An act to amend the Prairie Farm Assistance Act, 1939.

An act to amend the War Veterans' Allowance Act, 1946.

An act to amend the Canadian Wheat Board Act, 1935.

An act to amend the Foreign Insurance Companies Act, 1932.

An act to amend the Canadian and British Insurance Companies Act, 1932.

An act respecting defence supplies and projects.

An act respecting national defence.

An act to amend the Trust Companies Act.

An act to amend the Loan Companies Act.

An act to amend the Canada Grain Act.

An act to provide for the operation and maintenance of a residence for the Prime Minister of Canada.

An act to authorize the provision of moneys to meet certain capital expenditures made and capital

indebtedness incurred by the Canadian National Railways System during the calendar year 1950, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

An act to amend the Judges Act, 1946.

An act to amend the Dominion Elections Act, 1938.

An act to amend the statute law.

An act to incorporate the Association of Kinsmen Clubs.

An act to amend the Canada-United States of America Tax Convention Act, 1943, and the Canada-United States of America Tax Convention Act, 1944.

An act to amend the Canadian Citizenship Act.

An act to amend the Canada Shipping Act, 1934.

An act to amend the Official Secrets Act.

An act respecting the national film board.

An act to amend the Prisons and Reformatories Act.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name the Deputy Governor General doth assent to these bills.

Then the Speaker of the House of Commons addressed the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1951.

To which bill I humbly request Your Honour's assent.

To this bill the Clerk of the Senate, by command of the Deputy Governor General, did thereupon say:

In His Majesty's name, the Honourable the Deputy of His Excellency the Governor General thanks his loyal subjects, accepts their benevolence, and assents to this bill.

PROROGATION OF PARLIAMENT

After which the Deputy Governor General was pleased to close the second session of the twenty-first parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The North Atlantic council has made a significant forward step by the formulation of the principle of balanced collective forces as the basis of the defence of the Atlantic community. The government welcomes the decision to have deputies of the foreign ministers appointed to maintain continuity in the work of the council.

In order to further the economic co-operation of north Atlantic nations, Canada, along with the United States, has accepted an invitation to become associated on an informal basis with the work of the organization for European economic co-operation.

Canada was also represented at the commonwealth meeting held in Australia to consider the means of assisting in the economic development of south and southeast Asia.

The United Nations has recently been called upon to deal with a serious threat to peace in Korea. Though the situation emphasizes the grave concern which has long been felt over the failure of the security council to arrange for the provision of forces to implement its decisions in such cases, the prompt and energetic measures taken by individual members on its behalf and in conformity with its resolutions to restore and maintain peace in that area have met with general approval in all the free nations and will, I am sure, dispose them all to supply such form and degree of co-operation as may be required.

The government remains convinced that until there is genuine good will among all nations, the maintenance of peace will continue to depend upon the unity and strength of the free nations.

The government is continuing to give close attention to the development of our defence forces. Measures have been enacted to provide for the consolidation of existing legislation with respect to the armed forces including a purely Canadian disciplinary code; and to provide for the procurement of munitions and defence supplies. The government was gratified by the announcement of the United States government that a program for the purchase of defence supplies in Canada on a reciprocal basis was being developed for the year beginning on July 1.

Our external trade remains at a high level despite difficulties arising out of the world-wide shortage of United States dollars which continues to affect overseas markets for certain of our export products. My ministers are giving constant attention to the removal of obstacles to the free flow of trade between our country and our traditional customers overseas.

Satisfactory discussions have been held with the government of the United Kingdom concerning the sale of wheat after the completion of the present contract.

A measure has been enacted to bring the powers of the Canadian wheat board into conformity with the provisions of the international wheat agreement.

You have renewed the Agricultural Products Act and have provided legislative authority for continuing the support of prices of agricultural and fishery products where such support may be required to reduce the impact of price adjustments.

Legislation was enacted early in the session to bring additional workers under the protection of the Unemployment Insurance Act and the protection itself was extended by supplementary winter benefits.

A joint committee of both houses of parliament has examined carefully the whole question of security for the aged with a view to providing an essential background of informed opinion in advance of the forthcoming general conference of the federal and provincial governments.

During the session agreements were concluded with several of the provincial governments to implement the legislation with respect to housing and also the legislation with respect to a transcontinental highway enacted at the last session.

The Niagara diversion treaty between Canada and the United States to provide for the permanent regulation of the diversion of water from the Niagara river for hydroelectric power has been approved and it is the hope of the government that, in the interests of both countries, it will receive the early approval of the Senate of the United States.

A uniform and systematic procedure has been provided for the publication and tabling in parliament of regulations and orders made by the governor in council or ministers or other agents of the crown in the exercise of powers conferred by

statute. You have also approved a measure to enable corporate crown agencies to sue and to be sued in the ordinary courts.

The consideration of the measure to revise the Indian Act has not been completed. This measure will be reintroduced at your next session. In the meantime, among other amendments to the Dominion Elections Act, 1938, provision has been made to extend the rights of Indians to vote in federal elections.

During the session measures have been enacted respecting the national research council; prize money; the inclusion of veterans of British and allied forces within the scope of the War Veterans Allowance Act; prairie farm assistance, and the national film board.

Bills have also been passed to amend the Canadian Citizenship Act; the Customs Act; the Income Tax Act; the Excise Tax Act; the Tariff Board Act; the Judges Act; the Trust Companies Act; the Loan Companies Act; the Foreign Insurance Companies Act, 1932; the Canadian and British Insurance Companies Act, 1932; the Railway Act; the Canada Shipping Act, 1934; the Aeronautics Act; the National Parks Act; the Northwest Territories Power Commission Act; the Official Secrets Act, and the Criminal Code.

The Transitional Measures Act has been extended to provide for the orderly decontrol of rents.

The spontaneous and tangible expressions of sympathy for the victims of the Manitoba floods and the fires at Rimouski and Cabano have been a gratifying demonstration of national unity. My ministers felt they were acting with the unanimous approval of our people in providing immediate assistance in fighting the floods and fires and in applying to the disasters of 1950 the principles and considerations applied in the Fraser river valley flood of 1948. As on that occasion the work of the armed forces was most effective. Joint federal-provincial commissions of investigation were appointed, and as soon as they could report, an announcement was made of substantial national financial assistance for rehabilitation and reconstruction of the devastated areas.

The Canadian section of the international joint commission has been requested to expedite the investigation into measures required for the future control of the Red river.

The greater Winnipeg diking board appointed jointly by the federal and provincial governments is proceeding with the work of providing flood protection for the Winnipeg area.

The prairie farm rehabilitation administration has been instructed to complete the compilation of data, much of which has already been gathered, with respect to flood control in the Assiniboine river.

The splendid manner in which our people met these disasters, the efforts and endurance of those who fought the flood and the fires, and the response from all parts of Canada and abroad to appeals for assistance have provided heart-warming evidence of the feeling of common humanity which exists in many other countries as well as our own.

Members of the House of Commons:

I thank you for the provision you have made for all essential services for the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

As you return to your homes, I express the hope that Divine Providence will continue to bless our people with peace, prosperity and happiness.

This concluded the second session of the twenty-first parliament.

END OF SESSION